

Australia	£10.25	Switzerland	Fr3.10	Portugal	Esc100
Belgium	Fr4.50	Taiwan	N\$3.50	Saudi Arabia	Riyal 100
Canada	C\$1.00	Thailand	฿10.00	Singapore	S\$1.00
Denmark	Dkr5.00	USA	\$1.00	South Korea	₩100
France	Fr5.00	West Germany	DM3.00	Taiwan	N\$3.50
Germany	DM3.00	Yemen	Yr100	Thailand	฿10.00
Greece	Dr100	Zimbabwe	Z\$100	USA	\$1.00
India	Rs100				

FINANCIAL TIMES

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D 8523 A

Unemployment in Japan: a question of honour, Page 11

World News Business Summary

S. African miners to discuss violence

Leaders of South Africa's 300,000 striking black miners agreed to meet the country's biggest mining house, Anglo American, to discuss how to reduce rising violence in the week-long stoppage.

Starvation in Sudan

Some 440 people have starved to death in Sudan's southern province of Bahr al Ghazal, the Sudan News Agency (Suna) reported.

Lebanon car bomb

A car bomb killed three occupants of the vehicle and a 10-year-old boy at the roadside, near the southern Lebanese town of Tyre, when an explosive charge ripped the car to fragments.

Indian drought

The Indian Government expects at least 15m people living in rural areas to be put out of work by the drought affecting the country. There are shortages of water and fodder because of the late monsoon, Page 3

Levi decision delayed

The Israeli cabinet delayed decision whether to continue development of its Levi oil fields until September 30, when the current oil agreement expires.

Vietnamese refugees

Urgent talks between British government representatives and Peking cleared the way for officials from Hong Kong to open discussions on how to repatriate thousands of Vietnamese refugees who recently arrived from mainland China, Page 5

Clashes in Korea

Riot police in Seoul clashed with anti-government demonstrators who called for the release of political prisoners, higher wages for workers and democratic trade unions.

Grenade attack

Communist guerrillas attacked two police precincts in Bacolod, 300 miles south-east of Manila, with grenades and firearms, killing two people and wounding at least four. It was the first attack on the city since the Communist insurgency began in the Philippines 18 years ago.

Colombo on alert

Thousands of police are to be moved into Colombo and troops will be put on alert after intelligence reports warned of planned mass protests against Sri Lanka's ethnic peace accord.

Emergency landing

An American Airlines Boeing 707 with 175 passengers on board made an emergency landing at Frankfurt airport when an engine caught fire 10 minutes after take-off. No serious injuries were reported.

Nagasaki march

About 5,000 people of Nagasaki, which was devastated by an atomic bomb in 1945, held an annual peace march calling for the abolition of nuclear weapons.

Khan files home

Pakistani politician Abdul Ghaffar Khan returned home from India where he spent several months being treated for a heart ailment. He was in a state of semi-consciousness after slipping into a coma last month.

Solidarity services

Solidarity leader Mr Lech Walesa attended services marking the seventh anniversary of strikes which launched the independent trade union in Poland.

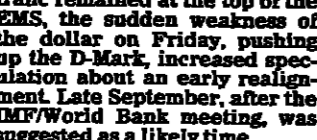
UK retail sales show strong gain in July

UK RETAIL SALES growth may be accelerating, the latest Confederation of British Industry/Financial Times survey shows. Sales of leading retailers for July surpassed expectations, and August figures are also likely to be strong, Page 12

EUROPEAN Monetary System

Pressure increased in the system last week as the Danish kroner continued to fall and replaced the Belgian franc as the weakest currency. The Bank of Italy was reported to have sold D-Marks for lira during the week, and although the French franc remained at the top of the EMS, the sudden weakness of the dollar on Friday, pushing up the D-Mark, increased speculation about an early realignment. Late September, after the IMF/World Bank meeting, was suggested as a likely time.

EMS Aug 14, 1987



ECU Divergence



The chart shows the two currencies on European Monetary system exchange rates. The upper grid, based on the weakest currency in the system, defines the cross rates from which no currency (except the lira) may move more than 2% away. The lower chart shows each currency's divergence from the 'central rate' against the European Currency Unit (ECU) itself, a basket of European currencies.

GENERAL MOTORS expects to sign its joint venture with Isuzu

A Japanese vehicle manufacturer aimed at revitalising the company's troubled van plant at Luton, north of London, late next month or early in October, Page 12

BRITISH trade unions are in 'remarkable' financial health

despite substantial membership losses, according to an unpublished government study, Page 4

UK Government is being urged to scrap the statutory national dock labour scheme, Page 4

BRITISH TELECOM is losing its share of both the business and the domestic telephone market, says MZA marketing consultancy, Page 4

MIDLAND BANK: members of the ECU union will be balloted on strike action if Midland does not improve its pay offer of at least 5 per cent, Page 4

NATIONAL SAVINGS attracted a net cash inflow of £17.8m (£23.1m) last month down from £42.5m in June but similar to the March and April figures, Page 4

VENEZUELA said US banks offered to step up short-term trade credit lines to around \$3.75bn from \$3bn, Page 4

URBAN Development Corporations are expected to face calls for tighter government controls from the National Audit Office, the parliamentary watchdog on public spending, Page 4

GOODMAN FIELDER and Walford Industries, two New Zealand food groups, are confident their plans to merge will get early approval from the New Zealand Commerce Commission, Page 12

OVER 27,000 New Zealand investors have applied for 75m shares in Petroleum Corporation of New Zealand, Page 12

UNION BANK of Finland International of Luxembourg has created a new multi-currency unit in which its capital will in future be denominated. Authorised capital has been converted from LuxFr1.75bn (\$44.8m) into 35m new units, which are based on a weighting of 40 per cent US dollars, 40 per cent D-Marks and 20 per cent Luxembourg francs, Page 12

Tehran threatens to launch attacks on Gulf pipelines

BY OUR FOREIGN STAFF

THE CONFRONTATION between the US and Iran took an ominous turn yesterday as Tehran extended a threat to all Arab oil exports from the Gulf region, including those carried by pipeline, and the US vowed to stand up to what it called Iranian intimidation.

Meanwhile, the two huge explosions which ripped through a big Saudi Arabian gas liquefaction plant on the Gulf coast just north of Bahrain on Saturday prompted speculation in the region that Iranian-sponsored saboteurs were responsible.

The Saudi authorities were swift to discount the possibility of sabotage, saying that a minor fire at the Ras al-Jaish plant belonging to the Arabian-American Oil Company (Aramco) was caused by an 'electrical fault'.

However, Mr Ali Akbar Rafsanjani, the speaker of the Iranian parliament, expressed approval of the explosion, attributing them to an intervention by God following the Mecca riot two weeks ago, in which 275 Iranian pilgrims are reported to have died.

Speaking to education officials in Tehran yesterday, Mr Rafsanjani made clear that Iran regarded the planting of mines as its main weapon to harass foreign shipping.

Iran is widely presumed to have been responsible for lay-

ing mines in and around the Gulf in recent weeks, but there is no firm evidence. Mr Rafsanjani was quoted by the Iranian news agency as saying: 'We have a mine-producing factory which could produce mines like seeds.'

Several more mines were found off the coast of the United Arab Emirates outside the Gulf yesterday following a mine explosion on Saturday which destroyed the supply vessel Anita. Six people on board the 156-ton vessel, including the British captain, are missing, feared dead, which occurred in an area used as a staging post for ships entering the Gulf, near where a US-owned supertanker, the *Tesco Caribbean*, was holed by a mine last Monday.

To counter the threat from mines, a US transport ship, the *Guadalupe*, has arrived in the Gulf carrying eight Sea Stallion mine-hunting helicopters. Four British and two French mine-sweepers are also on the point of departing for the Gulf to assist British and French warships in the region, and Britain is negotiating with Oman and the UAE for support facilities for its ships.

Iran, which blames the US for planting mines outside the Gulf, also said yesterday that it had started mining operations in the Gulf of Oman.

In a fresh threat of retaliation

against Gulf oil exports, Mr Rafsanjani said Iran could stop Arab crude exported through overland pipelines. Both Iraq and Saudi Arabia rely to a significant extent on pipelines to export their oil. Threats to strike either Iraq's oil line through Turkey or the pipeline to Saudi Arabia's Red Sea port of Yanbu could intensify control over whether the Reagan Administration supports diplomatic efforts to carry out a peace plan for the region.

On Friday, President Reagan's chief envoy to Central America, Mr Philip Habib, resigned abruptly after his request to travel to the area was turned down.

Mr Shultz - who favoured a lead role for Mr Habib, one of the State Department's most experienced diplomats - was overruled by the White House, according to several reports.

The Administration was caught off guard earlier this month when Nicaragua signed a Central American peace agreement which set out terms for a 90-day ceasefire, an amnesty for opposition leaders and a commitment to future democratic reforms.

US officials are now trying to find ways of protecting US security interests in the region symbolised by the US-backed Contra rebels in Nicaragua - without scuttling an indigenous peace process.

Continued on Page 12

Steps urged to liberalise high tech trade with East bloc

By Louise Kehoe in San Francisco

US ELECTRONICS industry groups, supported by the US Commerce and State Departments, have proposed major revisions of US and CoCom export control regulations for microcomputers and related equipment that would dramatically liberalise high-technology trade with the Eastern bloc.

The proposals are understood to be 'on the table' at CoCom (the Co-ordinating Committee for Multinational Export Controls) meetings in Paris and in the US Administration, where they are said to have been well received by some, but not all, government departments.

The US industry proposals go much further than the CoCom 'liberalisation' moves revealed last week.

While CoCom has agreed to allow exports of low-performance personal computers to the Soviet Union, the US proposals would cover far more powerful machines.

CoCom's recently revised regulations allow exports of microcomputers with a 'processing data rate' (a measure of the computer's speed and processing power) of up to 6.5.

The US industry wants to raise it again to 25, a move that would drastically increase the number of IBM PC ATs, a popular personal computer for business.

The industry group also endorses licensing at national discretion 'powerful computers' built around the latest 32-bit microprocessors, such as the Personal System/2 model 50 announced recently by IBM. Such machines have a processing data rate of 15.

The Industry Coalition on Technology Transfer (ICOTT), a coalition of the leading US computer and electronics industry trade groups, further recommends that export controls on computer peripherals typically used with personal computers should be decentralised.

Current controls on Local Area Networks are 'particularly burdensome and unnecessary for low-level computers,' the industry group says.

Signal processing and image enhancement equipment, widely used in medical and engineering applications, should also be less stringently controlled, ICOTT maintains.

Controls on Computer Aided Design and Computer Aided Manufacturing software should be limited to programs that are specially designed for the development and manufacturing of strategically sensitive items, the industry group suggests.

Current controls on artificial intelligence systems are much too strict, it claims.

Mr Aaberg said his company already has agreements to exchange traffic with Hong Kong, Singapore and Canada and was talking to the US.

He was concentrating on establishing international links first with countries outside Europe because he did not want to disrupt in any way discussions now taking place among all the main European countries about setting up a similar transatlantic service on a pan-European basis.

He hoped that if the European project went ahead then his company would form the Scandinavian wing of it.

Scandinavian telecom to launch data network

BY DAVID THOMAS IN LONDON

THE Scandinavian telephone authorities are setting up what is believed to be the world's first transnational telecommunications service.

This could pave the way for a similar venture now being considered by telecommunications authorities in all the main European countries.

Both projects concern managed data networks, at the heart of the convergence between telecommunications and computing.

These are private lines used by large companies for data traffic. They are mainly in-house at present, but are increasingly being used by companies to communicate with customers and suppliers.

The move by the telecommunications authorities into this area will pitch them into head-on competition with large computer and computer services companies such as IBM, Electronic Data Systems, a subsidiary of General Motors, and Geisico, a subsidiary of General Electric of the US.

The Scandinavian telephone authorities are establishing a jointly-owned subsidiary, incorporated as a private company in Sweden, to supply managed data networks on an international basis.

The company, called Scandinavian Telecommunications Services, will aim to cater for the private data needs of companies operating in any Scandinavian countries.

This means that big companies in Scandinavia will be able to order their requirements for their private data networks from one point. They will also be able to pay for these networks at the same single point.

Mr Lars-Erik Aaberg, the company's managing director, said he hoped it would begin operating at the start of next year, which means all the participating countries should have been given the formal go-ahead, in some cases involving parliamentary approval.

Sweden will own 48 per cent of the new company, further details of which are given in the magazine *Telecommunications*. Denmark, Finland and Norway will have 16 per cent each, with Iceland holding 4 per cent.

Mr Aaberg said: 'The reason we are setting this up is because we have experienced an increasingly competitive environment. We have to fight on the same terms and conditions as the big private suppliers.'

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Quadrex chairman 'in position to raise Mercantile House bid'

BY CLIVE WOLMAN IN LONDON

MR GARY KLESCH, the chairman and owner of Quadrex Holdings, said yesterday that he had the finance in place to make a higher bid for Mercantile House Holdings, the UK financial services group which is the subject of a £550m (£680m) recommended offer from the British and Commonwealth Holding conglomerate.

After a weekend of meetings between the different parties stretching late into the night, Mr Klesch said that he would decide whether to raise his offer by no later than Wednesday.

'I have not yet decided which way to swing,' he said.

His decision largely turns on whether B and C decides to accept his offer for two of the components of Mercantile, Marshall and Company, one of the two leading international money-broking firms, and William Street, the US inter-dealer broker.

On Friday night, the Marshall management with its advisers, the US 'bank' Manufacturers

Hanover, submitted a proposal to buy Marshall from B and C. This suggested buy-out would leave the management and staff of Marshall with a substantial minority stake. Another substantial minority stake, believed to be nearly 50 per cent, would be taken by CrownX, the Canadian insurance company, which acquired a 14.9 per cent stake in Mercantile in January. A much smaller stake would be held by an undisclosed third party.

Mr Michael Warren, who heads Marshall, said yesterday that CrownX's stake, which reflects its aim of diversifying its interests in financial services, would be a passive one leaving the existing management fully in control.

B and C showed considerable enthusiasm towards our offer,' Mr Warren said. 'But they seemed to be concerned about the response from Quadrex, so we are still waiting for a reply.'

Last week, Quadrex made an offer to B and C to end the com-

petitive bidding for Mercantile by purchasing from it Marshall and William Street B and C's main interest is in Mercantile's fund management arm, Oppenheimer.

On Friday, Mr Klesch held a meeting with the directors of Marshall at which he outlined his proposals for the firm and answered their questions. He held a further meeting with Mr Warren on Saturday and also held exploratory talks with the directors of William Street.

However, Mr Warren said that the Mercantile directors had not been persuaded that there was any commercial logic in being acquired by Quadrex, which already owns another large money-broking firm, R.P. Martin.

The strengths of the two companies were overlapping rather than complementary, Mr Warren said. Both for example have large shares of the dollar-D-Mark market.

Mr Klesch's proposal is to let Marshall be managed as an independent company.

US confusion over Central America plan

BY LIONEL BARBER IN WASHINGTON

MR GEORGE SHULTZ, US Secretary of State, is to meet today with US ambassadors from Central America amid growing confusion over whether the Reagan Administration supports diplomatic efforts to carry out a peace plan for the region.

On Friday, President Reagan's chief envoy to Central America, Mr Philip Habib, resigned abruptly after his request to travel to the area was turned down.

Mr Shultz - who favoured a lead role for Mr Habib, one of the State Department's most experienced diplomats - was overruled by the White House, according to several reports.

The Administration was caught off guard earlier this month when Nicaragua signed a Central American peace agreement which set out terms for a 90-day ceasefire, an amnesty for opposition leaders and a commitment to future democratic reforms.

US officials are now trying to find ways of protecting US security interests in the region symbolised by the US-backed Contra rebels in Nicaragua - without scuttling an indigenous peace process.

Continued on Page 12

Wall St firm in further inquiry

BY JAMES SUTCHAN IN NEW YORK

DREXEL Burnham Lambert, the Wall Street investment firm which is already the target of a large-scale US Government investigation, is to undergo a new inquiry into its business practices, which is at the centre of a lengthy investigation by the Securities and Exchange Commission and the Justice Department into possible insider trading.

The highly successful and aggressive firm, which has underwritten more than \$2bn in securities for such casino operators as Bally, Golden Nugget, Caesars World and Holiday, is the first investment bank to be required to obtain a commission licence.

Drexel Burnham, which at first argued that it was adequately regulated by the SEC, submitted to the inquiry last Wednesday.

'They require licences for any company doing more than \$50,000 of business with a casino,' said Mr Steven Anredor of Drexel Burnham. 'We are major suppliers of capital.'

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Israeli rivals join to stave off decision on Lavi

BY ANDREW WHITLEY IN JERUSALEM

ISRAELI Prime Minister Yitzhak Shamir and Foreign Minister Shimon Peres yesterday temporarily bridged their mutual political animosity, and joined forces to block an impending decision by the Israeli Government to cancel the controversial Lavi combat aircraft.

With the Cabinet meeting for the seventh time in recent months to try to settle the fate of the home-grown supersonic aircraft, opponents appeared to have mustered a 13-11 majority. But against the wishes of the two party chiefs they were unable to bring the issue to a vote.

In a clearly tactical ploy to avoid defeat, the Labour and Likud leaders agreed between themselves to postpone a decision for a fortnight — presumably in the hope of finding a compromise which could win over wavering members in the meantime.

The solution being sought by these two traditional political rivals involves injecting an additional \$150m into Israel's current defence budget "to stretch out" the project, which has already cost \$1.5bn.

Cancellation would lead to the loss of thousands of jobs in

the country's much vaunted, but currently struggling, high-tech industries.

However, the latest postponement is bound to exasperate the Reagan Administration, the principal financier of the Lavi. In recent weeks the US has been exerting considerable pressure on its ally in favour of scrapping the expensive aircraft and purchasing more F-16s in its place.

Few Israeli politicians are anxious in a pre-election year to incur the electoral displeasure they fear they will reap from cancelling the Lavi, regarded by the public at large as both a technological triumph and a symbol of the country's independence and strength.

This was apparently what was in the Prime Minister's mind when he told the coalition cabinet yesterday that a vote against the aircraft "will be a blow to our self-respect. The people will view it as a tragedy."

More sanguine was Mr Peres, who indicated that there was no pressing hurry to reach a decision. "What we have today we'll have in two weeks' time," the Labour chief told journalists after the six-hour meeting.

Indian drought expected to put 15m out of work

BY JOHN ELLIOTT IN NEW DELHI

THE INDIAN government expects at least 15m people in rural areas to be put out of work by the drought which is covering a large part of the country because the annual south-west monsoon is nearly two months late.

This was announced by Mr Rajiv Gandhi, the Prime Minister, last night in a BBC radio speech in which he marked the 40th anniversary of India's independence.

"We must have the strength to see the drought does not become a famine as it did before independence," Mr Gandhi said, referring to the country's buffer stocks of 24m-26m tonnes of rice and wheat. But there were already shortages of water and fodder, and the drought would affect people's ability to work.

He said that a rough government estimate of the likely total that would be out of work at 15m. But economists estimate that the cumulative effect of the drought in rural areas could be far larger.

Nine people were killed over the weekend in the troubled northern state of Punjab as India celebrated its 40th anniversary amid tight security, fearing a major terrorist attack by young Sikh extremists.

In his annual independence day speech on Saturday from

the ramparts of the Red Fort in Old Delhi, Mr Gandhi appealed for a new people's movement against communalism, religious fundamentalism and extremist violence.

But Mr Gandhi, who has been facing a number of serious political setbacks, failed to make a favourable impact with his speech. He spoke slowly and hesitatingly in Hindi for 68 minutes to an audience which grew increasingly restive.

There were criticisms later by politicians and businessmen that he had failed to rise to the occasion and had rambled on. Hundreds of security guards, many carrying sten guns, surrounded the Red Fort area on Saturday in one of the tightest security operations ever mounted. Mr Gandhi stood behind a bullet proof screen flanked by plain clothed guards.

The security precautions will continue because young extremist Sikh leaders who appear to have taken control of the militants' movement, are expected to try to make a major strike soon.

On past performances, it was unlikely that they would have been able to break through the security operations over the weekend. But it is equally unlikely that the security forces will be able to maintain a sufficiently strict vigil to stop a major attack somewhere soon.

Seoul protestors demand release of prisoners

BY RICHARD GOURLAY IN SEOUL

RIOT POLICE in Seoul have clashed with anti-government demonstrators who chanted anti-American slogans, called for the release of political prisoners and backed worker demands for higher wages and democratic trade unions.

About a thousand marchers took to the streets after a rally on Saturday, calling for the removal of the 40,000 US troops stationed in the country, but were swiftly dispersed with tear gas by riot police.

Earlier, about 10,000 demonstrators met peacefully after the government failed to persuade opposition groups to call off the rally. Demonstrators and anti-government Buddhists monks made similar demands for political reforms in Seoul yesterday.

The rallies followed weeks of labour unrest that have closed down much of South Korean industry either directly through strikes or because supplies of components have been cut off. There appeared to be some signs that the number of work stoppages had peaked, with management agreeing to many of the workers' demands.

Although the demonstrators linked their support of worker demands with the release of political prisoners, the recent

strikes do not appear to have been politically motivated.

After years of wage rises far below productivity increases, workers are taking advantage of the recent political developments to try to win a fairer slice of South Korea's rapidly growing output.

A government-funded think tank, the Korea Development Institute, last week said the labour unrest, still affecting about 280 companies, could cost the country between \$1.5bn and \$3bn in lost exports this year. Stockbrokers said the cost to the country would be nearer the low end of this forecast.

The 200 political prisoners still held by the government have become the focus of attention for students and political activists since President Chun Doo Hwan gave in to opposition demands for direct elections and other democratic reforms in early July.

Last week, Mr Roh Tae Woo, the ruling party's presidential candidate, said that 1,200 political prisoners had already been released but that those still held had violated the country's right national security laws and would be released only if they "showed repentance and disavowed Communist ideology."

Roderick Oram in New York searches for an ancient Maya prophecy and finds modern mayhem

Hosts of hummers descend on sacred Central Park

BLAME New Yorkers if the world failed to enter an age of enlightenment at noon Greenwich Mean Time yesterday. It was all very well for Mayan Indians to fix the date thousands of years ago, but they should never have hoped hassled citizens of this city, the wildest flower of modern civilisation, would stick to the exact time.

The task entrusted to them by the apostles of the New Age was greatly important but untaxing. Drawing on a bewildering array of ancient prophecies, today's sages decreed that if enough people congregated at sacred sites around the world at noon GMT on August 16 and 17, held hands and hummed, the world would be healed of its ills.

But while, presumably Stonehenge, the Great Pyramids, Mount Fuji, Easter Island and other hosts to hummers began to resonate on time, an eerie silence cloaked the 1,500 people encircling a new-found sacred

site in Central Park.

Mr Peeter Lamp, one of the New York organisers of the Harmonic Convergence, stood up in the centre, which will revert tomorrow to a children's sand pit, and gaily suggested that "we would like everyone to consciously link up with everyone else around the planet."

Nothing overt happened. Five minutes slipped blissfully by in the warm summer sun. Surely the New Age had not arrived early, transforming all those hepped-up New Yorkers? Wasn't anyone bold enough to begin to save the world? Finally after nearly 10 minutes a faint hum arose from some people held in tight focus by a gaggle of television news crews.

Swiftly the sound washed like a wave across the crowd picking up hummers in its wake. A man who couldn't carry a tune in a bucket sounded as though a doctor was working him over with a tongue depressor.

A big lady with a wide vibrato chimed in over on the west side. Phew! Another sacred site heard from. But only just. The beatific tones of the New Agers were more than matched by the incessantly shrill chirp of cicadas, a locust-like insect which plagues the US in 17-year cycles.

Holding hands was the next

An American Indian medicine man had checked it out and found it spirit-filled, Mr Timothy Whyllie, another organiser, had told a pre-hum warm up last Wednesday evening.

"He went straight into a trance, saying 'They're here! They're here!'" The fact that so many bodies turned up to join the spirits must have

predicted they would try to re-establish contact with earthlings on this day.

He got the ball rolling but by this summer a cacophony of claims for the auspiciousness of the day had accumulated. Not surprisingly, sceptics have doused the theories in cold water.

"There is no scientific basis for any claims of supernatural or superphenomenal activities on Sunday, August 16," said Dr James Cornell of the Harvard-Smithsonian Centre for Astrophysics.

More bluntly, Gary Trudeau, the US cartoonist, has mercilessly parodied the event with a Moronic Convergence in his Doonesbury strip.

"It's the volcanic eruption of that latent romanticism of greying flower children," said Dr Carl Raschke, a University of Denver humanities professor. "It's their last fling before ageing and death takes over."

But among yesterday's crowd

were some of a more practical bent, including four Londoners in their 20s, Ms Chloe Thomas, Ms Deborah Green, Mr Alan O'Donnell and Mr Adam Baines.

They are not New Agers themselves. They had just stopped in on a cycle ride from Maine to Mexico City raising money for the Save the Children Fund.

Working with Placido Domingo, the opera star, they had already raised \$25,000 before they left England for children made homeless by Mexico City's earthquake.

Immediately post-hum, little seemed to have changed in New York. A bus, horn blaring, still barrelled down Central Park West trying to mow down New Agers who had the temerity to leave early.

As for the ETs, well they must have taken one look at hyper-drive and headed for the nearest black hole.

PRI picks presidential contenders

By William Oram in Mexico City

MEXICO'S ruling Institutional Revolutionary Party has for the first time officially identified contenders for its presidential nomination, in a cautious step towards the formalisation of its controversial candidate selection process.

In a terse announcement late last week the PRI executive committee listed its "pre-candidates" in alphabetical order: Mr Ramon Aguirre Velazquez, the appointed mayor of Mexico City; Mr Manuel Bartlett Diaz, the Interior Minister; Mr Alfredo del Mazo Gonzalez, the Energy and State Industry Minister; Mr Sergio Garcia Ramirez, the Attorney General; Mr Miguel Gonzalez Avelar, Education Minister; and Mr Carlos Salinas de Gortari, the Minister of Budget and Planning.

One of the six is expected to be picked in late September or early October in a decision that will be made primarily by President de la Madrid and endorsed by the PRI hierarchy.

Messrs Bartlett, del Mazo and Salinas are still perceived by most political observers, as well as by themselves, to be the strongest of the aspirants. Yet while the list has served to exclude formally the already remote chances that President de la Madrid might opt for a dark horse not seen generally as a participant in the race, it has also focussed new attention on Mr Garcia Ramirez, who despite his lack of party political experience has gained respect as a strong and honest boss of the Federal government's main law enforcement bureaucracy.

Conspicuously absent from the list is Mr Cuauhtemoc Cardenas, a former governor of the state of Michoacan, remains the only prominent PRI personality to declare openly his candidacy for the nomination. Mr Cardenas's campaign is a direct, if somewhat Quixotic challenge to the tradition that let Mexican presidents personally pick their successors.

Alfonsin denies reforms aimed at re-election

By Tim Coates in Buenos Aires

PRESIDENT Raul Alfonsin of Argentina will not seek re-election when his mandate expires in 1989. He said the government's proposed constitutional reform was not aimed at his re-election, as has been widely suggested.

After mid-term elections next month, the government's political priority is constitutional reform, which could involve creating a constitutional assembly by March or April.

According to President Alfonsin, one reform will be to give more power to congress and less to the president. A prime minister would be created.

The ruling Radical Party has no clear alternative to President Alfonsin and it is thought he will stand for Congress to become Prime Minister, offering the presidency to the opposition Peronists.

Explosives found in gold mine hostel, Anglo claims

ANGLO AMERICAN, South Africa's biggest mining company, yesterday said security officers found explosives in a gold mine hostel which they searched after a clash in which 24 black strikers were injured, agencies report from Johannesburg.

With violence rising in the week-long stoppage by about 300,000 gold and coal miners, leaders of the National Union

of Mineworkers met yesterday in closed session to discuss tactics against what the union sees as increasingly harsh efforts by management to break the strike. More than 220 miners reportedly have been injured and at least 200 arrested during the country's largest legal strike ever.

According to Anglo, mine security officers at Vaal Reefs, a gold mine 100 miles southwest of Johannesburg, entered a

hostel on Saturday to investigate reports that strikers were holding hostages. It said the security men "came under repeated attack by a mob and were forced to retaliate" with tear gas and rubber bullets. "No hostages were found, but a quantity of explosives and a petrol bomb were discovered," the company said.

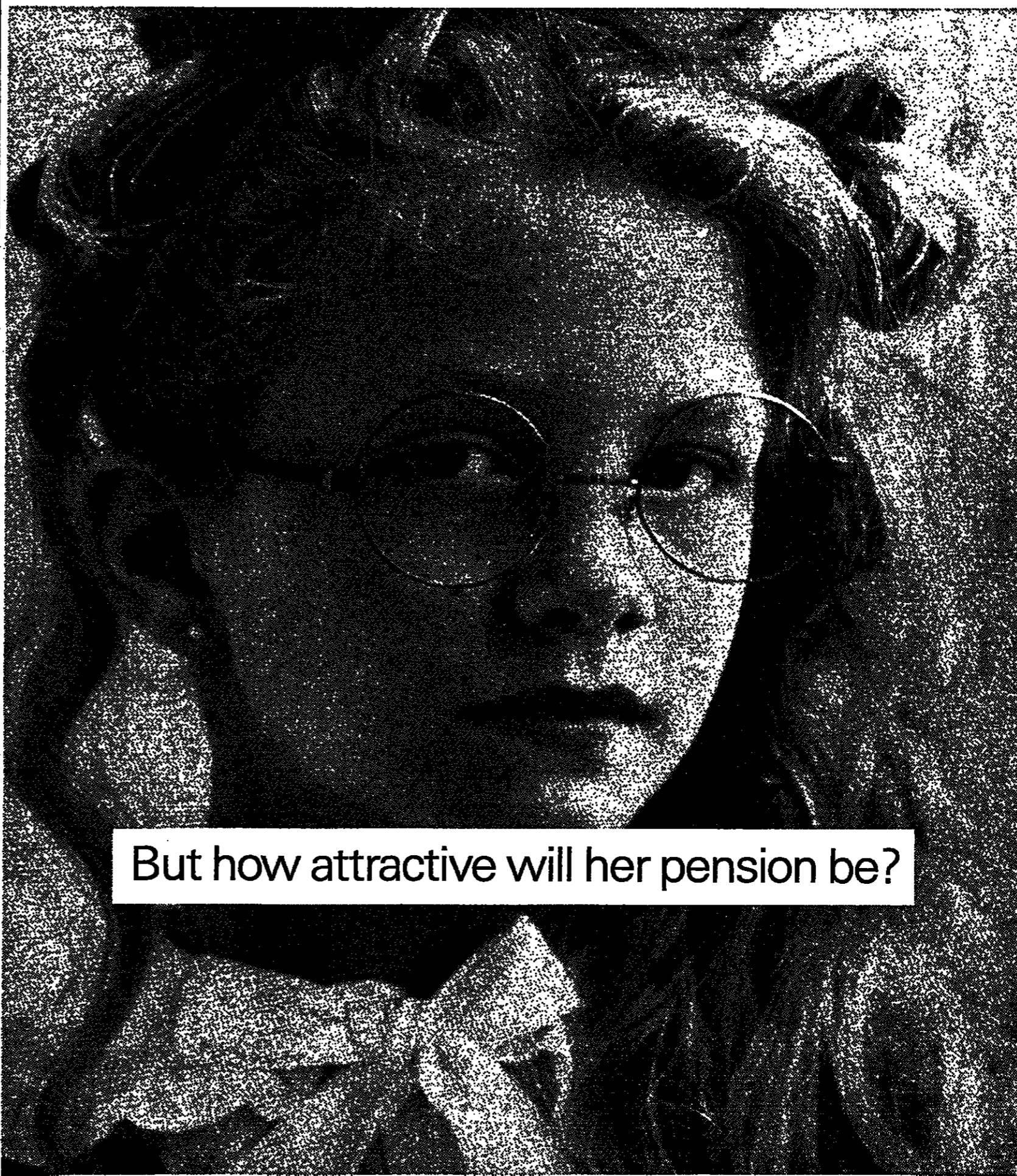
When the strike started last Sunday night the NUM urged its members to leave the single-sex mine hostels where workers

live in order to avoid confrontation with mine security. But many have stayed, and the company charges that militants in the hostels are intimidating miners who want to resume work. The NUM rejects the accusation.

Neither side has backed down on its basic pre-strike position in the dispute, which is over wages and conditions. The NUM demands a 30 per cent wage increase plus improved benefits such as danger pay. The Cham-

ber of Mines, which groups the six main mining houses, has offered pay increases of up to 23.4 per cent.

Anglo, which produced 39 per cent of South Africa's gold last year, has been the most seriously affected of the major mining houses since the strike against the country's dominant industry began. Anglo has threatened permanent closures of several marginally profitable gold and coal mines if strikers do not return to work by tomorrow.



But how attractive will her pension be?

NOTICE

To the Holders of the

Feddens Capital NV.

5% Convertible Subordinated Guaranteed Debentures Due 1992

NOTICE IS HEREBY GIVEN that the conversion price of the Debentures has been adjusted and changed from \$47.25 to \$53.13 as a result of a distribution by Feddens Corporation, a Delaware corporation ("Feddens Delaware"), of the capital stock of its wholly-owned subsidiary NYCOR, Inc., a Delaware corporation ("NYCOR"), on January 27, 1987 to the shareholders of Feddens Delaware on a share for share basis. The Debentures initially were convertible into the common stock of Feddens Corporation, a New York corporation, the guarantor of the Debentures (the "Guarantor"). As a result of a corporate reorganization on December 31, 1986, the Debentures became convertible into the common stock of Feddens Delaware and the Guarantor became a wholly-owned subsidiary of NYCOR. The name of the Guarantor has changed several times and is now Rotorex Corporation. The Guarantor continues to be the guarantor of the Debentures.

FEDDENS CORPORATION

Dated August 17, 1987

If Deutschmark investments are part of your pension fund strategy, you are familiar with the variety of DM instruments available. But, there are subtle differences in yields, liquidity, maturity, and depth of the market. There are yet other considerations which may require tailor-made solutions.

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UK NEWS

CBI/FT DISTRIBUTIVE TRADES SURVEY

Optimism as July retail sales top expectations

BY RALPH ATKINS

HIGH STREET sales in July exceeded retailers' expectations, and there is optimism about further strong growth this month.

The latest Confederation of British Industry/Financial Times survey of distributive trades shows that of 286 retailers questioned, 74 per cent said sales had increased compared with July 1986. Only 10 per cent reported a fall.

That is the highest balance reporting a rise since September, when official figures showed the volume of retail sales rising particularly fast.

The balance of retailers expecting an increase in sales in August compared with the same month a year before, minus those expecting a fall, was +60 per cent. That is the highest level of optimism, high street shops have shown this year about sales.

In the first half, retail sales figures moved erratically. This was reflected in the survey which, up to July, showed retailers' expectations consistently being frustrated.

In June, however, the Department of Trade and Industry's index of retail sales rose 3.2 per cent, underlining a strong upward trend. A further increase is expected to be shown in today's figures for July sales.

The survey shows that retailers' orders also exceeded expectations. The balance of +48 per cent reporting an increase is the highest for three years. A balance of +47 per cent expect increased orders in August.

Clothing shops, grocers, and retailers selling durable household goods reported the largest increases in June's sales and are most optimistic about sales growth in August.

Among all the distributive trades, including wholesalers and motor traders, a balance of +60 per cent reported an increase in sales in June, the highest balance since the survey began four years ago.

Of 196 wholesalers questioned, 69 per cent reported an increase in June's sales, compared with 58 per cent a year before. Ten per cent saw a fall. However, the balance showing an increase was lower than the record +72 per cent recorded in last month's survey.

A balance of +46 per cent expect increased sales in August with wholesalers of food, drink and durable household goods the most optimistic.

Orders placed by wholesalers in June were much better than expected, although not quite as good as in June. Slightly slower growth compared with the same month in 1986 is expected for August.

Motor traders also saw better sales than expected in July compared with the same month a year before. A balance of plus 50 per cent reported an increase. Orders placed were better than expected with a record plus 43 per cent ordering more than a year before. A balance of plus 34 per cent of motor traders expect increased sales in August.

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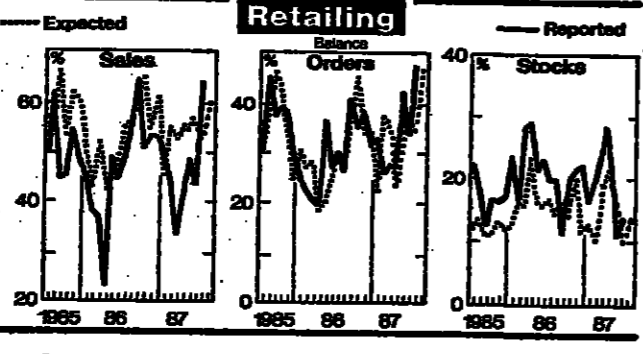
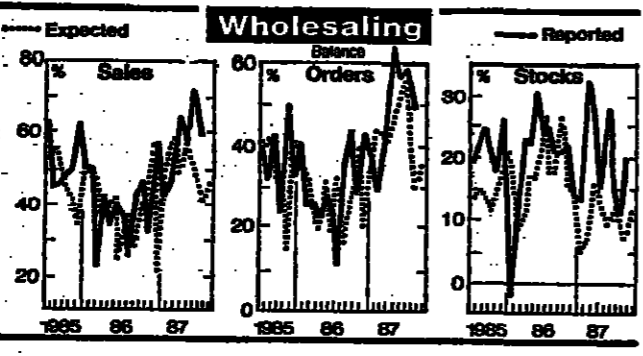
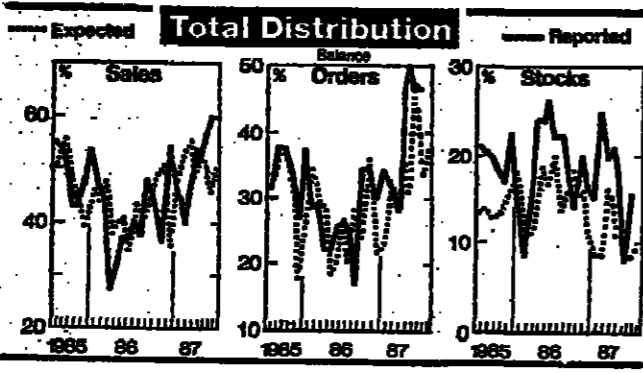
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End of the line for BT's hold on phone equipment sales

BT IS losing its grip on the UK telecommunications equipment market right across the board, according to a study by MZA, a specialist marketing consultancy.

The study says that BT is surrendering market share not just in private exchanges, but also in the sale of telephones.

BT's share of the telephone market fell from 79 per cent in 1985-86 to 66 per cent last year. It will decline further to 44 per cent by 1989-90, MZA predicts.

The study states: "BT is losing its share of both business and domestic telephone markets."

It adds, however, that BT's market share of business phones is dwindling more rapidly, partly because the supply of business phones is linked to that of private exchanges.

The high-street telephone market almost doubled in size last year to 1.57m phones, worth \$460m at retail prices. MZA is forecasting that the retail market will double again by 1989-90.

Dixons had the biggest share of the retail phone market last year with 19 per cent, followed by Comet (15 per cent), Argos (11 per cent) and Boots (10 per cent).

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David Thomas looks at a study that shows a decline in the privatised company's share of the market

cent), the study says. BT shops took only 4 per cent.

Overall, the market for telephone handsets grew by 21 per cent in 1986-87 compared with 1985-86, a year in which BT de-stocked the market.

The study forecasts single-figure growth this year and beyond.

By contrast, the PABX (private exchange) market peaked in 1985-86. It fell 7 per cent last year, as a result of the big modernisation programme carried out earlier in the decade.

The study forecasts that the market for private exchanges of under 100 lines will not grow again until next year, when replacement picks up. The market for larger exchanges, with more than 100 extensions, however, will fall until 1989-90.

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MZA is forecasting a recovery of that market next year.

MZA is predicting significant growth, however, for the smallest business exchanges, known as single-line systems. That is partly because do-it-yourself installation of such systems is now allowed.

The study says the only constraint on the growth of this market is the lack of suitable distribution channels.

The telephone answering machine market will almost double between 1986-87 and 1989-90, growing from 300,000 machines to 500,000, MZA predicts. Sales to domestic users will grow most rapidly, stimulated partly by units that combine telephones with answering machines.

About 89,000 cellular mobile telephones were sold last year, up 75 per cent on the previous year.

The study says the market will continue to grow this year, with 102,000 phones sold. However, it predicts that the sales will fall next year to 90,000 and will remain static thereafter to the end of the decade.

The UK Telephone Attachment Market to 1989, MZA 20 Daniel Street, Bath BA2 6ND. £2,500.

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SIEMENS

Information for Siemens shareholders

Market expands abroad, erodes in Germany

Split economy: capital goods recede

While Siemens saw marked gains in orders from abroad in the first nine months of the current financial year (1 October 1986 to 30 June 1987), new orders in the West German home market remained below last year's levels. The slowing of the economy has yet to be reflected fully in sales, which

reached two-figure growth by the billing of the Brokdorf nuclear power plant. A weaker economy, high future-oriented expenditures, and tougher price competition due to negative currency effects combined to push the net profit margin down from 2.9% to 2.6%.

New orders

During the period under review, Siemens - i.e. Siemens AG and its consolidated domestic and foreign companies - booked new orders worth £12,822m, thus nearly matching (-1%) the levels of the preceding year. The 7% drop in German domestic orders was reflected mainly in the power plant sector. This was largely offset by the rise in international orders (+5%); at the same time, however, the export orders of our domestic operations declined. Since losses incurred through adverse currency movements were roughly equal to gains from the first-time consolidation of several

newly acquired companies, the 5% growth in international orders represents a real increase of business volume. This growth is the more remarkable considering the weakness of international business in the energy and power plant sectors.

in £m	1/10/85 to 30/6/86	1/10/86 to 30/6/87	Change
New orders	12,944	12,822	- 1%
Domestic business	6,263	5,835	- 7%
International business	6,681	6,987	+ 5%

Sales

Siemens worldwide sales rose 11% to £12,617m. This leap was brought about primarily by the billing of the Brokdorf nuclear power plant in early 1987. But even without power plant business, sales increased 4% worldwide: 2% in Germany and 7% abroad.

in £m	1/10/85 to 30/6/86	1/10/86 to 30/6/87	Change
Sales	11,370	12,617	+11%
Domestic business	5,344	6,251	+17%
International business	6,026	6,366	+ 6%

Orders in hand

At £18,500m, the value of orders in hand on 30 June 1987 was only slightly less (-1%) than at the start of the financial year.

in £m	1/10/86	30/6/87	Change
Orders in hand	18,771	18,500	-1%
Inventories	8,011	8,248	+ 3%

Employees

The number of Siemens employees (excluding trainees and temporary student workers) was 363,000 at the close of June 1987, or 4,000 more than on 1 October 1986. This rise was largely confined to international operations and resulted almost entirely from the acquisition of new companies. The 9% increase in employment costs was brought about by a 7% rise in the average number of employees as against the comparable figure last year.

in thousands	1/10/86	30/6/87	Change
Employees	359	363	+ 1%
Domestic operations	231	231	0%
International operations	128	132	+ 3%

	1/10/85 to 30/6/86	1/10/86 to 30/6/87	Change
Average number of employees in thousands	336	361	+ 7%
Employment costs in £m	5,249	5,730	+ 9%

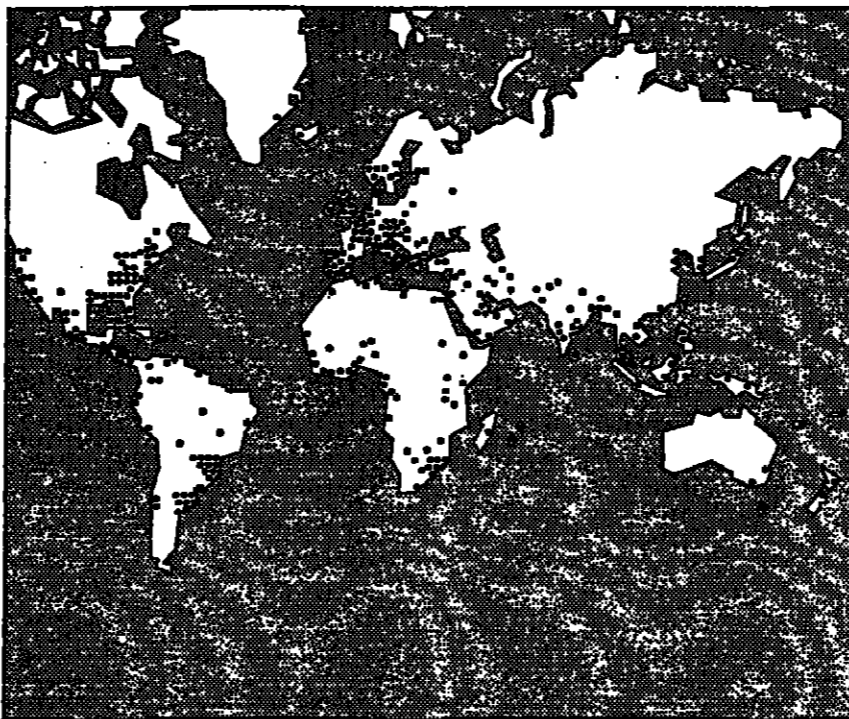
Capital spending and net income

Capital expenditure and investment in the first nine months of the current financial year again reached £1,290m, equalling last year's high level. Capital projects were focussed on erecting manufacturing facilities for new products and modernising existing plants, with the ultimate aim of ensuring the company's competitiveness and opening new markets. Chiefly as a result of heavy investment in the future (including R&D outlays that will exceed £2,000m this year) and intensified price competition brought about by unfavourable

market and currency trends, net income after taxes dropped 4% to £322m, and the net profit margin from 2.9% to 2.6%.

in £m	1/10/85 to 30/6/86	1/10/86 to 30/6/87	Change
Capital expenditure and investment	1,290	1,290	0%
Net income after taxes	334	322	- 4%
in % of sales	2.9	2.6	

All amounts translated at Frankfurt middle rate on 30/6/1987: £1 = DM 2.946.



Conveniently located throughout the world

Present in 127 countries, Siemens does more than half its sales abroad. The company wholly owns and operates 118 production facilities in 27 countries and has a stake of up to 50% in 59 further plants. International operations account for a third of all Siemens employees and 40% of its capital expenditure and investment. Siemens is known for its effective worldwide manufacturing, sales, and service organisations - assets the company will continue to enhance and expand to the benefit of customers everywhere.

Siemens AG

In Great Britain: Siemens Ltd.
Siemens House, Windmill Road,
Sunbury-on-Thames, Middlesex, TW16 7HS

Fall in National Savings net cash inflow

NATIONAL SAVINGS attracted a net cash inflow of £17.5m last month, down from £42.5m in June but similar to the inflow in the previous two months.

The continued low level of net receipts is a reflection of the fact that National Savings is paying lower rates of interest than building societies.

Last month saw another large net outflow from fixed-interest certificates, amounting to £71.8m. There was also a net outflow of £30.2m on indexed certificates. Income bonds attracted a net inflow of £116.8m.

When accrued interest is included, the total contribution of National Savings to government funding last month was £178.1m, compared with £234.7m in June.

BR poster investigated by advertisements authority

BY MICHAEL SKAPINKER

THE Advertising Standards Authority is investigating a British Rail poster that appears to offer commuters the opportunity to complain personally to a BR area manager.

Miss Diana Bird, the authority's public relations manager, said the investigation concerned a poster at Waterloo station showing Mr Alan Futter, the area manager, speaking on the telephone beneath the headline "Alan Futter is on this line." The poster provides a telephone number on which passengers can contact Mr Futter with comments on BR services.

A passenger complained to the authority last month after he failed to reach Mr Futter by phone. Miss Bird said that when the passenger complained to BR in writing, he received a letter telling him it was un-

likely that Mr Futter would be able to contact him personally. The authority wrote to British Rail last week asking for a response to the complaint. It has not released the name of the complainant.

BR said posters of managers on the phone had been on display at Network South-East stations for about a year. In busy regions, a complaint might be dealt with by one of the area manager's team rather than by the area manager himself.

BR added: "The area manager couldn't be available to answer every query. It's rather, if I may say so, like writing a letter to a newspaper. You might get a reply from a senior member of the editor's team. If it's a very serious matter you might get a reply from the editor directly."

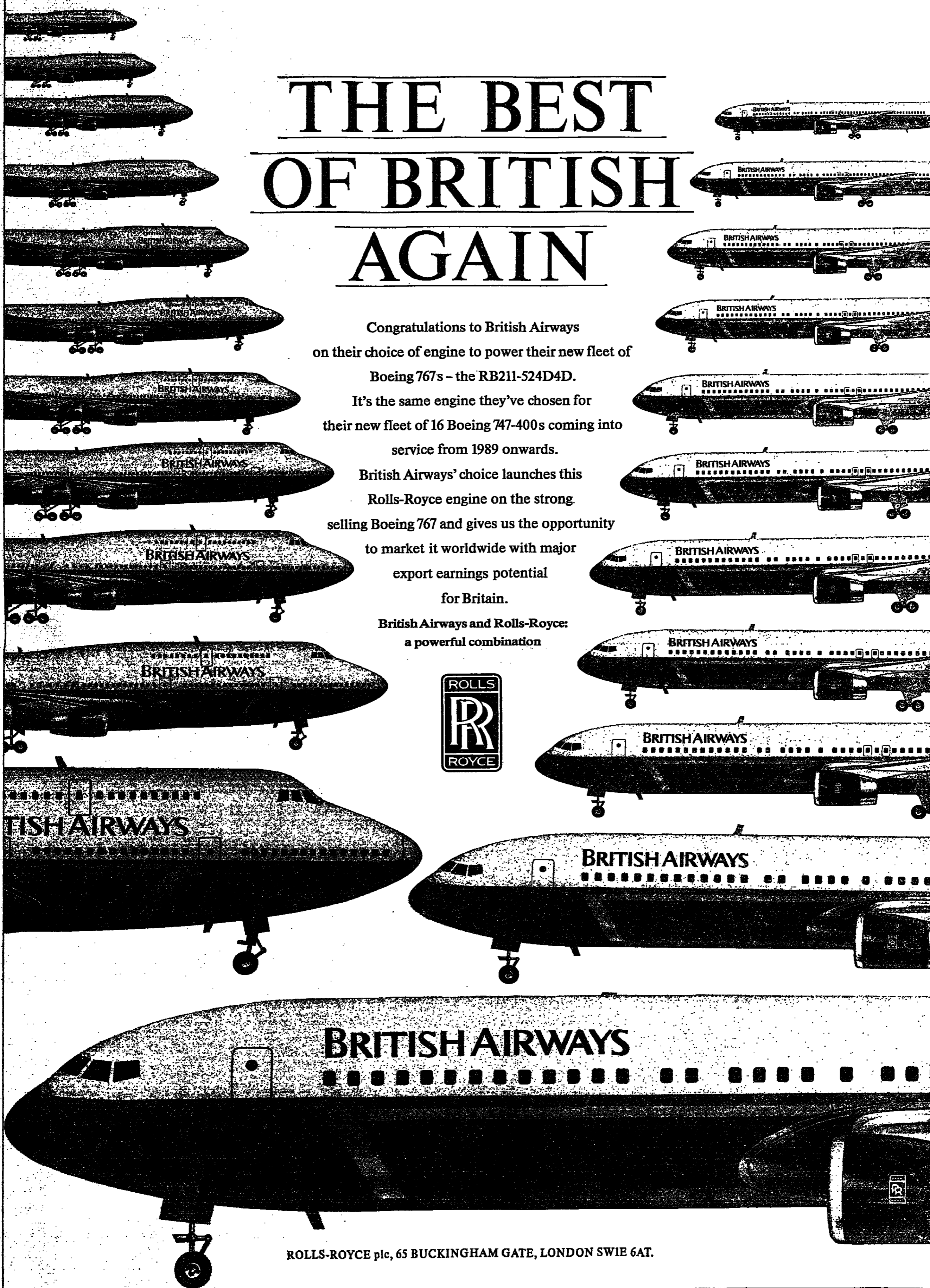
THE BEST OF BRITISH AGAIN

Congratulations to British Airways
on their choice of engine to power their new fleet of
Boeing 767s - the RB211-524D4D.

It's the same engine they've chosen for
their new fleet of 16 Boeing 747-400s coming into
service from 1989 onwards.

British Airways' choice launches this
Rolls-Royce engine on the strong
selling Boeing 767 and gives us the opportunity
to market it worldwide with major
export earnings potential
for Britain.

British Airways and Rolls-Royce:
a powerful combination



ROLLS-ROYCE plc, 65 BUCKINGHAM GATE, LONDON SW1E 6AT.

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4A 4BY
Telegrams: Finantime, London PS4. Telex: 8954871
Telephone: 01-248 8000

Monday August 17 1987

Banks and customers

FEW commercial relationships are quite as sensitive as those between banks and their customers, involving as they do some of people's most private affairs. Yet the question of how those relationships should be regulated has seldom been a public issue, partly no doubt because in the vast majority of cases they exist without problems.

As a result, there is widespread ignorance among bank customers as to the exact extent of the rights with banks. How strong is bank's duty of confidentiality, for example? What rights does a customer have if a bank makes errors? Do banks even have a duty to explain their terms and conditions?

This wide area of vagueness is being increasingly called into question by the rapid evolution of the banking industry from a cosy, straightforward business of taking in and lending out money, to one where aggressive marketing of a wide range of financial services is the order of the day. This has resulted in a shift of the relationship from one based on a customer's direct access to his bank manager, to a more impersonal one, usually characterised by automated bank statements and mail shots, with inevitable loss of flexibility and trust.

Clear answer

Another worrying development is the growing practice among banks of passing information about individuals' accounts to other parts of the group to help them market different products, like insurance and unit trusts. As banks continue to diversify, the precise boundaries of banking confidentiality will become increasingly hazy. While banks should retain the right to disclose information in certain cases (when legally required to do so or protect their own interests), these boundaries still need to be tightly drawn.

The need for clarification was recognised by the Government last year with the establishment of the Jack Review to determine whether the law relating to the provision of banking services needed to be updated.

One of the major issues arising from the review is whether, as the National Consumer Council noted in a wide-ranging submission last year, the right to privacy has come for greater formalisation of bank-customer relations. To this, the answer seems clear:

there should be, because of their growing complexity. One option would be to codify the present assortment of laws which have a bearing on these relations and create a proper statutory framework for them. Another would be for the Jack Review to create a model contract which would give the relationship a clear legal foundation and provide a minimum standard which banks could improve on individually if they wished. A third would be to leave it to the banks to take their own initiative, as Midland Bank has done with its brochure "Our principal terms and conditions", which tells customers their rights and obligations (as interpreted by Midland).

The NCC favours the model contract approach on the grounds that codification would be too cumbersome, and any initiatives undertaken by banks would inevitably be slanted in their favour. The Midland brochure, for example, requires that customers specifically request their bank not to pass information about them to other parts of the group or to give references to outside inquirers. Although this might aid a bank in bringing worthwhile advisory services to the notice of its customers, it would be more satisfactory if the onus was placed on the bank to seek the customer's permission to do these things first.

The banks' objection to a model contract is that it would be long and complicated, and not particularly helpful in informing customers about their rights and obligations. How many people read the small print when they sign up for credit cards, for example? Also, there is probably no need for this stage to go to the lengths of obliging literally millions of bank customers to read and digest a new legal document.

The obvious, and probably more sensible, compromise would be for the Jack Review to prepare a set of model terms and principles on the basis of recommendations from both the banks and bank users. These would be clearly worded and brief, and, among other things, would make clear the customers' duty to run his account honestly and with agreed credit limits, and the bank's duty to deal fairly with its clients and fully respect the confidentiality of their affairs.

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This is a time for cool heads to prevail and it is encouraging that, so far, both the Government and the Opposition have been moderate in their public utterances. Mr Roh Tae Woo, the chairman of the ruling Democratic Justice Party and its candidate for next year's presidential elections, has recognised the justness of many of the workers' claims, even if he has warned of tougher action if moderation does not prevail. Mr Kim Young Sam, the leader of the Party for Reunification and Democracy, has supported the strikers in principle but added that no matter how justified their grievances they cannot be all solved at once.

South Korea is entering a critical phase in its political development. A real prospect exists both for the disengagement of the military from civic life—since President Chun has acceded to the popular demand for constitutional change and the direct election of the head of state—and for the birth, however difficult, of a democratic order. A threat to the country's economic well-being posed by a bout of prolonged industrial unrest could be used by those of less democratic inclinations to seek to impose a different and much less palatable sort of order.

Joe Rogaly examines the extension of Whitehall's power over local government and argues that

the death knell has been sounded for local democracy in Britain



A tighter grip on the people's choice

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PLANS for the destruction of local democracy in Britain are now complete. The Government's tanks are moving into place around every town hall. Battle will commence in the autumn. From then on local government is likely to suffer a series of blows from which it will be extremely fortunate to recover. Britain will be more than ever a centrally managed state, with power concentrated in Whitehall. Of course the outcome is not yet certain, but wise punters will not put their money on the local councils.

If this proposition seems too apocalyptic for August, consider the Government's known strategy. It plans to strengthen its control over local treasuries by introducing a poll tax and a new system of grants. It is starting to break down a principal power-base of local democracy, the management of education, by allowing schools to opt out (obviously to ambitious parents to grasp control over the better schools, and run).

The remaining power-base of any significance, council housing estates, will be blasted away by introducing self-management by tenants, or transferring ownership to appointed committees. Further patches will be extracted from city centres and placed under the control of non-elected autonomous corporations whose task it will be to regenerate derelict areas.

After four or five years of such policies many local councils might be left with little more to do than clear the drains, collect the rubbish and mend the roads. The need of such basic functions, they will have to do as they are told by the great holding company in Whitehall. And even for such routine tasks, these unaccounted municipal authorities must put the work out to competitive tender. Their own labour forces are expected to wither away along with the rest of the public sector. There may be a little work to do in shuffling planning applications, or monitoring local health services, or attending to police complaints, but that will be on it. The Secretary of State for the Environment, Mr Nicholas Ridley, seems to believe, in all sincerity, that local authorities should have no greater powers than the ability to make representations to central government on behalf of their constituents.

The consensus in most departments is that this opinion is shared by the Prime Minister. In Downing Street's eyes, the struggle to put Britain back on its feet is often thwarted by socialist councils. It may even seem logical to do away with councils altogether.

In many other Western countries, such a programme would probably be regarded as unconstitutional. In Britain the constitution is what parliament says it is, which means that it is at the Government's disposal. It is thus the only defensive weapon available to local democracy is that mystic British constitutional force, public opinion.

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هذا من الأصل

Ian Rodger in Tokyo reports on what it's like to be unemployed in a workaholic country



Rising tide of unemployment: Japanese railway workers protest at the loss of their jobs

"TAKE WORK away from me and there will be nothing left." That remark, by a Japanese shipyard worker, captures the fundamental importance of employment for people in Japan.

Today however, as industries restructure to cope with the high yen, more and more Japanese are finding that work is being taken away from them. The official unemployment rate has edged up above 3 per cent for the first time since the Second World War, and the outlook is for further deterioration.

So far, reaction in Japan to high unemployment has been sharply split. Since job losses have been confined mainly to a few coal, steel and shipbuilding towns, for most people the problem simply does not exist. But those who are affected feel shock and shame.

"You feel you are degraded because you have lost your job," says Mr Fukui Ikemoto, a painter who was made redundant last March, when Hitachi Zosen, the large shipbuilding group, closed its yards on Inoshima, a small island near Hiroshima.

"You become afraid to meet people, so your world gets smaller," says Mr Ikemoto. "My old friends do not invite me out drinking with them in the evenings any more which makes it worse. If you don't associate with people, you do not hear about jobs going fishing a lot, but that is just killing time."

Hitachi Zosen was the only big employer on Inoshima, and when the yard closed, the island's unemployment rate rose at a stroke to 40 per cent. Thus, it is likely that attitudes toward the unemployed there are more tolerant than elsewhere in Japan.

The Japanese generally have no patience with the unem-

A question of honour

played. An unwritten clause in the country's strong social contract says that everyone (which in Japan means every man) should work so that he can fulfil his obligations to his family and his community.

If a man is made redundant, he is expected to go out and find a new job as soon as possible. It is perfectly acceptable—indeed, it is expected—that he take a less remunerative or prestigious job than the one he left.

A Japanese family would quickly become impatient with a man who refused to accept job offers on the grounds that they were beneath him.

Japan's social security system reflects the severity of this code. Unemployment benefit, for example, is equivalent to 60 per cent of wages and only lasts for a maximum of one year. For the able-bodied there is welfare or dole system thereafter.

Company severance payments tend to be modest, varying from the equivalent of two to six months salary—hardly enough to enable a man to attempt anything ambitious, such as launching his own business.

These austere policies served the country well in the postwar period of rapid growth, but in places like Inoshima, they have begun to clash with other aspects of Japan's social code. Being a small mountainous island, connected to the mainland by ferries, Inoshima has virtually no prospects of attracting new employees.

Thus, the new unemployed on the island face difficult choices. Take the case of Mr

Yoshinori Murakami, 45, a former fitter at the yard. His father and his grandfather before him worked in the yard and his father and mother still live on the island in retirement. As the eldest son, Mr Murakami has a responsibility to look after his parents in their old age. Thus, even though he has despaired of finding work on Inoshima, he and his wife and three children continue to live there.

"Maybe I will have to go alone to work elsewhere," he says. "But then I would have to find a place to live, and lodging elsewhere would be

more expensive than here, so I would not have any money left to send home."

Despite this Catch 22 situation, he will probably do it. "I do not want to continue being paid by the Government," he says.

A proud man, he has tried hard to maintain a life-as-usual atmosphere at home, so that his three children will not be influenced by the change. "They are too small to understand entirely, but they notice that I am home."

He is ashamed that his wife has to go out to work—finding occasional and poorly paid (about 22 an hour) work as a

shop assistant at sales times. Fortunately, his lifestyle is simple, consisting mainly of fishing and watching television, so he has not had to give up much yet. Also, he owns his home.

However, things could get tougher when his unemployment benefit stops. Mr Murakami has noticed that most jobs on offer for which he could qualify require the applicant to be able to drive. So he has invested some of his severance payment—about ¥450,000 (£1,900)—in driving lessons. He expects to spend a further ¥1m (£4,250) on a car.

The rest of his severance payment is being put aside for the children's education. Education costs in Japan become a heavy burden as children reach high school and university age. According to one recent estimate, the cost of the first year in university is ¥1.5m (£7,650).

Mr Susumi Iwasaki, 39, is in a similar position. As the eldest son of an Inoshima family, he too will have to stay on the island and look after his parents.

But his financial situation is less urgent. Being relatively young, his severance payment was a very modest ¥1.5m (£6,400), but his wife has a full-time job as a nurse. "I spend a little less time in the pub," he says. "So far, we manage to live reasonably well. I'm not in a hurry to find a job. It would not be a good idea to take just anything, so I am waiting for a job with

good conditions." The most important condition, from Mr Iwasaki's viewpoint, is that the job be within commuting distance of Inoshima.

Despite their general reverence for the aged, it seems Japanese employers are no more eager than their Western counterparts to take on older people. Mr Ikemoto, who is 52, says he is at a loss over what to do. "Since the end of March, I have been trying to find work, but it is very difficult at my age. Most companies say they can employ a young girl instead of an ageing man for the kind of work I would do."

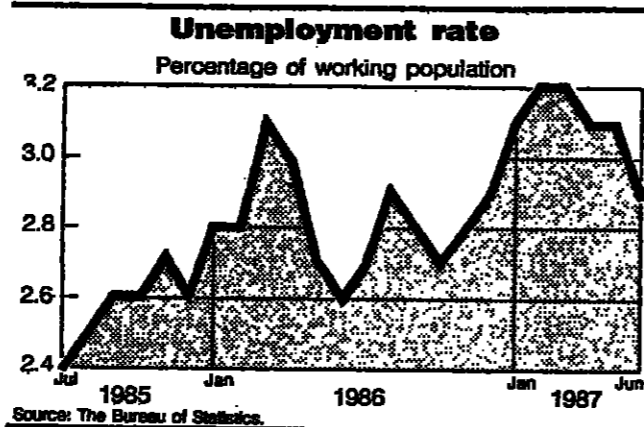
His 30 years' service at the yard entitled him to a generous retirement payment, but he used it to pay off his mortgage, repay loans from friends and prepare for his children's weddings.

All three men feel cheated, having believed that they would be protected by Japan's strong social and lifetime employment systems, but they feel powerless to do anything about it. "I wanted to resist and complain to somebody somewhere when it happened, but if we had like that, it would have made the situation worse," says Mr Murakami.

I can boast that I was one of the people who built the base for Japan's success today. I did not expect any special reward for this, but the Government did not do anything to help the shipbuilders.

Hitachi made the mistake of concentrating on shipbuilding. They tried to change, but it did not work.

"When you have to change jobs, you need a lot of guts. When I entered the company, they were making 40,000 tonne ships. Then they went up to 200,000 tonne ships. At that stage, we thought our lives were secure."



Looked at statistically, the upward trend of Japan's unemployment seems less than spectacular. However, the reality is more bleak. Economists say Japan's method of computing unemployment understates the real level by about half. Also, there is an immense tribe of underemployed.

Strategy for electricity

From Mr E. Borrow

Sir—Mr John Lyons argues (August 12) in favour of maintaining the CEGB as a single entity, claiming that only this will generate costs he kept down. His arguments only justify maintaining the national grid as a single entity. If the generating side were split into several companies, the operators of the national grid would switch in power stations on a merit order basis as at present; the difference is that the merit order would be based on the price of the electricity, not the power station operating costs. The power generation companies would compete on price to supply the national grid; the incentives to reduce operating costs would be more directly felt by station managers responsible for the bottom line.

The supply contracts would be structured to differentiate between peak and off-peak demand. The reality of the CEGB's operational economics is a direct consequence of its monopolistic structure. The operational economics will change following the introduction of competition. The reality is that a privatised monopoly would tend to inefficiency. Adequate competition will be far more effective than any conceivable "Oftec" at controlling that inefficiency.

Privatised power station management would not be tempted to cut costs by skimping on safety and emission control. It is important that privatisation is accompanied by stringent statutory emission controls (enforced by an efficient inspectorate and adequate sanctions) on fossil fuel stations and even more rigorous safety standards and inspection regimes for nuclear stations.

Edward Bamford, 17 Radcliffe Road, SW12.

International terrorism

From Mr J. Lucas

Sir—There can be few reservations about what Professor Paul Wilkinson says in his article of August 12: "The message must be violence does not pay." Diplomatic, economic and arms embargo measures all have a part to play in combating the scourge of international terrorism—though in the context of the Gulf War it is ironic that those who now profess to believe that an arms embargo can help to end the hostilities did not apply the same logic before the conflict took place.

It is, however, what Professor Wilkinson does not say which is of more concern: "International terrorism in the Middle East is a disease which has its roots in the political situation in the area. Treating the symptoms is no substitute for tackling the causes. To cut

Letters to the Editor

a long and familiar story short, these are Arab frustration and humiliation over Palestine and similar Shi'a feelings in Lebanon, each fuelled—and fuelled by—Islamic extremism led by Iran, though not confined to that country. In both cases, western policies have unfortunately contributed to the problem. For example, the unwavering support given to Israel by the United States makes the regime in Saudi Arabia vulnerable, because of its American association, to the kind of Islamic extremism and worse exemplified in the recent disgraceful episode in Mecca, which Professor Wilkinson rightly quotes as a reminder of the terrorist threat from Iran.

Professor Wilkinson's remedies—supplemented by thorough and painstaking intelligence and police operations—therefore provide only part of the answer. So long as the international community fails to grasp the political realities, concentration on the symptoms will continue to be a disease rather than cure the disease.

Ivor Lucas, 65 Newstead Way, SW19

Bubbly all over

From Dr J. Stretton

Sir—As the UK representative for the CIVC, the semi-governing body for the champagne industry, I feel bound to further re-emphasise the real meaning of champagne—champagne is a wine from the Champagne region, a delimited area 90 miles north-east of Paris. Any reference to champagne being produced outside this region, either in inverted commas or not, creates a misunderstanding of its true definition. (August 8.)

Chambers Twentieth Century dictionary is accepted by the Financial Times Crossword Editor as a leading authority on the English language and it defines champagne as "a white sparkling wine, strictly from Champagne in France." In common usage it can be made elsewhere.

CIVC's definition refers to champagne, but the Financial Times is written in the English language. This word has been adopted in general usage to mean a white sparkling wine in many languages, and these words cannot have their meanings cancelled by the French.

The Catalan-speaking people of this island celebrate their fiestas with champagne and it is made on the Spanish peninsula. Just one of many Spanish producers has the largest sales of Cava, as the French have bullied it to call it, in the world. It ill becomes the Financial Times to allow a French organisation to rule what may or may not be the meaning of the words it uses.

General Franco claimed to have four columns marching on Madrid and a fifth one inside Madrid. Since then Fifth Columns have been reported in many cities throughout the world. I have never heard it alleged that this "creates a misunderstanding of its true definition."

Provided that they can be understood at all, the rule of thumb is that words mean what their user wants them to mean. Why does the Financial Times hold that "champagne" is an exception? (Dr) John Stretton, Apartado 10, Villa Carlos, Mendoza.

Gunpowder plot

From Mr S. Roman

Sir—I am delighted that Observer (August 12) should have noticed my letter in Chemistry in Britain, and drawn the correct conclusion. He is, however, wrong in detail. Nitrogen iodide is the explosive red-blooded schoolboys used to paint on blackboards and board dusters. It is easier to make and more sensitive than the fulminates. It also has eight words in the commonest university text, not extending to indicating how it is made. Nor do many of today's anaemic graduates know how this is done.

The fulminates are of theoretical interest, and have had some commercial importance for 150 years, as well as presenting risks to the experimenter. Their exclusion from chemistry as known in school or university is, thus, the less excusable.

Professors hear and write reports with surprise, they do not blow themselves up. Would that they did, for this is part of the problem. A lecturer is appointed at the age of 26, at the age of 28 he, or she, is given a research group of half-a-dozen post-graduate students and a post-doctoral assistant. She, or he, may never perform another experiment thereafter. It is

more than a decade since the average lecturer, let alone professor, last did any practical. It is not surprising that they forget the tricks of the trade. But the result is that universities consist of a mixture of those who have never learnt the properties of actual physical matter and those who have forgotten. And it is my impression that it is the less red-blooded schoolboys, who swayed up the theory, as opposed to the practice, who become lecturers.

Graduates still, in fact, know what gunpowder is, though not the proportions of the mix. But this shows that the old practice of natural selection, whereby the competent schoolboy became a chemistry student while the scared and fingerless incompetent took up the more predictable science of engineering, has ceased to operate. My generation and older know the proportions, as well as those for more exotic mixes that explode when sprayed with water. Simon Roman, 2 Upper Rosemary Hill, Kenilworth, Warks.

Make the urban pie fresh

From Mr D. Redfern

Sir—Surely Hazel Duffy (August 12) must understand that to take a lot of existing policies, mainly reflex reactions to crises, and stir them all up together is no way to formulate a consistent policy for inner city renewal.

The curious thing is that the job has been done already in various parts of the world where English is spoken, so that there is not even a language barrier to its understanding. The South Africans, for example, best known at present for their desperately heavy-handed method of dealing with some of their social problems, have had no difficulty in solving this one to the satisfaction of most people concerned.

An elderly friend of mine knows a senior civil engineer in Johannesburg who went to school with his grandson. On a recent visit, he expressed his surprise at conditions in Britain. "We don't have urban dereliction in Johannesburg," he explained, "because we tax land values instead of buildings."

As soon as a building is no longer of use, it would seem, down it comes to be replaced by a more suitable one; for the tax has to be paid anyway. If any idle lands are to be found in Johannesburg, it is not because of idle lands; there aren't any.

The same fiscal measure has had the same effects in Australia, British Columbia and New Zealand. Even if the Prime Minister does not want to visit South Africa, what does she talk about at Commonwealth Conferences? David Redfern, 15 Pennell's Close, Eastbourne, Sussex.

Lombard

Red herrings in the US budget

By Andrew Marshall

WASHINGTON is playing its usual games over the budget. The latest play is an attempt to restore the so-called automatic sequestration process of the Balanced Budget Act.

The Act, also known as Gramm-Rudman after two of its three sponsors, was intended to restore fiscal discipline to the budget process. It contained progressively lower deficit targets for each fiscal year, leading to zero in fiscal year 1991.

If Congress failed to meet those targets, automatic cuts did the job for them. These were so unpalatable—including across-the-board cuts in just about every Congressman's pet projects—that, it was thought, there would be a strong motivation to hit the fiscal bullet.

Last year, however, the Supreme Court ruled the automatic sequestration provision unconstitutional. And as the usual bout of name-calling and buck passing again comes to a head, the temptation to short-circuit the process has led Congressional Republicans and some Democrats to propose the return of automatic sequestration.

Superficially, this looks like an outbreak of fiscal sanity. The sad truth is, however, that Gramm-Rudman has become another symptom of the problem.

Strictly speaking, Gramm-Rudman does not oblige Congress to cut the deficit at all; instead it requires the forecast for the deficit to be cut, which is a very different thing. Thus last year, Congress brought the projected 1987 budget deficit in under the Gramm-Rudman target of \$154bn; but everyone knew it would be nowhere near that figure. The return is likely to be around \$180bn-\$190bn.

The forecasts upon which Gramm-Rudman is based are prepared jointly by the bipartisan Congressional Budget Office and the executive branch's Office of Management and the Budget. Their deficit estimates have been consistently wrong. In every year since 1978 except the boom of 1984, over-optimistic assumptions about the economy have made the picture look better than it really is and have led to underestimated deficits. One of

Gramm-Rudman's central faults is its over-reliance on these faulty and sometimes distorted forecasts.

But as if it was not enough to have Rosy Scenario on the team, Congress has a few tricks of its own. Thus in 1986, the projected deficit was kept within the limits by what is poetically called "blue smoke and mirrors." More prosaically, accounting subterfuges and dirty tricks helped to trim the deficit figure.

There were some substantial spending cuts last year. But asset sales and other one-off savings of some \$11bn made a substantial contribution. All this just makes the problem worse in the longer term.

The sweeping reassessment of US fiscal policy that is really required has not occurred, and Gramm-Rudman must bear some of the blame. It presses the Congress into reducing the forecast deficit, one way or the other, on a year-by-year basis, and postponing the pain. It thus becomes an excuse for fiscal irresponsibility. It encourages the Congress in its worst vices—budget shenanigans, self-deceptions and short-termism—in the pursuit of the annual deficit target.

The much-vaunted sequestration procedure turns out to be a red herring. Congress is simply too clever to be caught in its own trap. But it serves a useful purpose this year: it gives the appearance of activity, and further postpones difficult choices about spending and revenue until after the Presidential elections. If those targets ever do catch up with them, Congressmen will just repeat this year's trick, and shift the targets.

Even if it did work, is this really the way fiscal policy should be made? With deficit targets chosen in relation to arbitrary figures? Cuts in expenditure determined by a random number and the throw of a dice?

The making of US fiscal policy has always been a chaotic process, but Gramm-Rudman risks making it entirely senseless. Rather than taking responsibility out of the fiscal process, Congress should be trying to put some back.



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INTERNATIONAL BONDS

Eurobond houses turn their attention back to retail buyers

BY CLARE PEARSON IN LONDON

LAST WEEK found Eurobond new issue managers concentrating on launching bonds in the higher yielding currencies - notably Australia and New Zealand dollars - which classically appeal mainly to Continental retail investors.

This partly reflected the continuing difficulty of launching bonds in other currencies such as the US dollar and the D-Mark as financial markets awaited the results of the US Treasury's \$28bn auctions in New York.

But for some it had wider implications as part of a trend whereby, since professional investors are increasingly eschewing Eurobonds for the more liquid government markets, Eurobond houses have been forced to turn their attention again to the retail buyers who had formed the market's main investment base during the market's early years.

The problem with trying to access these investors just at the moment when most of them have not yet returned from their summer holidays, but, especially in the Australian dollar sector, underwriters seem prepared to sit on paper launched now in anticipation of strong retail demand in the autumn.

And dealers last week found encouraging signs that already some retail buyers were turning their attention once more especially to their Australian dollar bond investments.

"It just shouldn't be like this in the Aussie sector in August," said one dealer who had found his summer quietude disrupted by a rash of retail enquiries.

In the background was a stabilisation of the Australian currency after a sharp fall a few weeks ago and a strong rally in the Australian dollar domestic market, triggered by the release of encouraging inflation figures.

The extent of this rally, however, presented difficulties for Eurobond new issue managers, as its effect on swap rates made it hard to price new issues at coupons which would catch the eye of investors.

Nevertheless, a number of houses surrounded this problem and four new deals worth A\$200m emerged, all of which seemed to go down reasonably well with the market.

But dealers commented that their coupons were set at levels comparable with those on bonds issued when the market was going

through a euphoric phase ahead of the Australian general election on July 11.

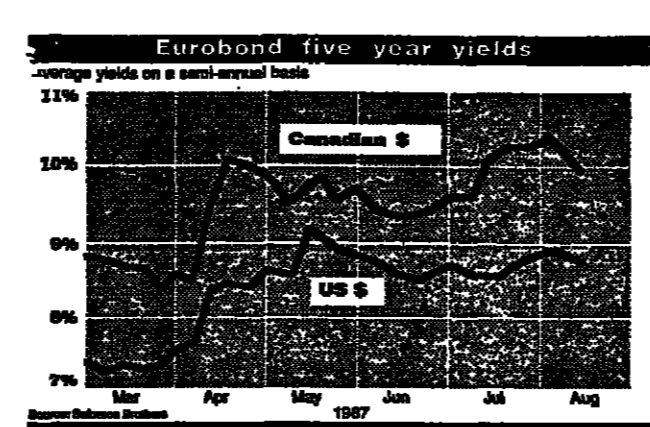
So, with a variety of cheaper bonds available in the secondary market, underwriters might have to wait some time before they were lifted off their books.

Meanwhile, with the New Zealand dollar domestic bond market rallying ahead of last Saturday's general election, Hambros Bank reopened the New Zealand dollar Eurobond sector with issues for Commonwealth Bank of Australia and BP Capital.

These bonds met a firm reception, and dealers noted that the New Zealand dollar sector was gaining increasing credibility in the eyes of the market, especially as at current interest rate levels underwriters can find their holdings at a profit.

But, because of the small number of houses currently involved in the market, and the relatively narrow investment base, it seemed unlikely that many more such bonds would surface for the time being.

Last week's Canadian dollar Eurobonds, also aimed mainly at European retail, were launched against the background of a technical rally



in the government bond market, which had suffered even worse falls than the US Treasury market at the beginning of the month.

This rally provided a lifeline for a number of relatively recent bonds which had previously been trading at big discounts. For instance, a bond for Ford Credit Canada, which had been trading at around 90, had moved up to 97½ by the end of the week.

Dealers noted, however, that the prices of most of the bonds that

were launched last week failed to rally as much as seasoned issues on Thursday and Friday. Some dealers were concerned that there was a concentration of issues by West German banks, with which the market had already become heavily supplied.

Elsewhere, the Swiss foreign bond market, which has been one of the most active in recent weeks, was beginning to show the strain of the supply of paper. For instance, a SF100m 5 per cent 20-year issue

for Electricite de France dropped from 100¼ to 99¼ in the course of the week.

Nevertheless, a SF200m 10-year equity warrants bond for Deutsche Bank met good demand and was quoted at around 11½ points above its 122 issue price in the grey market on Friday.

The launch of this issue had been seen by some as a landmark in the development of the Swiss market, since it was led by Deutsche Bank's Swiss branch.

This followed a syndicate rule-change last week on the part of the three leading banks, Union Bank of Switzerland, Swiss Bank Corporation, and Credit Suisse, allowing a foreign bank to lead an issue for its parent within their syndicate.

The immediate effects of this change were not expected to be really significant, since the banks' communique issued last week only allowed for foreign-owned banks to lead issues where reciprocal arrangements existed in their parents' domestic market. This means that only West German and British banks will benefit.

But there was speculation last

week that this change might be the harbinger of a further relaxation of the virtual cartel operated by the three big banks in the Swiss bond market, which could be advocated by Credit Suisse as it has been showing increasingly independent tendencies recently.

In this light, the twice yearly meeting of the syndicate, expected to take place next Wednesday, will be particularly closely watched for signs of any more radical changes.

EUROBOND MARKET TURNOVER				
Turnover (\$m)				
Primary Market	Secondary Market	Govt	FRN	Other
US\$ 1,778.9	355.8	985.0	5,259.0	
FRF 1,522.2	551.1	239.0	4,352.1	
Other	1,558.3	250.3	—	239.1
Prev	1,550.5	2.5	—	252.0
Secondary Market				
US\$ 17,470.8	2,342.3	8,268.8	5,864.2	
FRF 17,263.8	2,404.9	10,912.3	5,147.7	
Other	22,144.5	1,445.3	3,084.1	11,215.4
Prev	17,128.1	1,382.7	4,261.5	9,882.5
Total				
US\$ 12,238.0	29,795.1	42,653.1		
FRF 11,262.3	31,887.0	42,622.3		
Other	18,310.6	22,263.5	41,614.1	
Prev	14,574.1	19,496.9	33,567.0	
Week to August 13 1987 Source: AIBD				

INTERNATIONAL CREDITS

Bank of England sets daily benchmark for Eurocommercial paper

THE fast-growing Eurocommercial paper market is at last getting its first independent benchmark, with the daily publication starting today of Bank of England representative daily rates for the paper, writes Stephen Fielder in London.

At 11.15pm, the Bank will publish on Reuters and Teletext screen investor returns on one, two, three and six month paper issued by companies rated either A1 or P1 by the two main US rating agencies.

The Bank will approach a panel of seven dealers each day for rates at 11.30am, and will publish a median rate for each maturity. The rates will normally be based on actual

deals in the primary market, where liquidity is greatest.

The quotations will be ranked and the median rate will be chosen as representative.

Such a benchmark will provide the first independent yardstick for borrowers and issuers on how their programme is performing, but its importance is broader. The hope is that publication of the rates may free the market from using rates in the interbank market as a yardstick.

In the past London interbank offered rates have been used as the yardstick, but Libor has many dis-

advantages for the ECP market. Different banks quote different Libor rates at the same time and spreads between bid and offer rates vary.

Interbank rates fluctuate too with perceptions on the credit risks of banks, often irrelevant to issuers and investors in the ECP market.

Of course, the new benchmark is limited to a relatively narrow range of borrowers among the current 500 or more ECP programmes. The Bank says it may publish rates for other borrowers, such as sovereigns, if the market in these issues reaches sufficient depth.

Yields on issues vary widely, although in some areas the market is thought not to compensate adequately for risk differentials.

Paper for a prime sovereign borrower, mainly attractive to central banks such as the Bank of England itself, could yield almost 20 basis points below Libor, for example.

At the other end of the spectrum would be borrowers such as Mr Rupert Murdoch's News Corporation, whose paper would yield around 25 basis points above Libor.

WestPac said it arranged Euro CP-CD facilities of \$75m each for Caixa Geral Depositos, the Portu-

guese state owned bank, and for Sparebanken Bugkerud of Norway.

In the sterling sector of the syndicated loans market, SG Warburg completed syndication of a financing for Cadbury-Schweppes and announced two more.

The Cadbury deal, of which £200m was to be committed, was oversubscribed in syndication. Unlike a similarly aggressively priced deal for BTR, the group includes leading UK clearing banks at lead management level, Warburg said.

STC, the telecommunications group, is raising a £200m seven year multi-option facility, which will be used partly to refinance

some existing medium-term facilities. The committed portion carries a facility fee of five basis points and a margin, if drawn, of 10 basis points.

Household Mortgage Corporation, whose business is in granting and securitising mortgages, has come to market for a £300m facility, incorporating a £200m, three-year committed portion.

The margin will be 15 basis points over Libor, with a facility fee of 12.5 basis points. Fees start at 2.5 basis points for the first 50 per cent of drawdown, rising to five basis points for 50 to 75 per cent usage

and 7.5 basis points for greater utilisation.

Mitsubishi Bank (Europe) said it completed syndication of a ¥100bn loan to Belgium, which closed oversubscribed. It was said to be the first yen loan for a prime borrower with interest linked to Japanese certificate of deposit rates and follows development of the CD market in Japan.

Margin on the five-year term loan was ¼ point over the four-month CD rate in Tokyo. Management fees of 7.5 basis points were paid on commitments of ¥1bn and 2.5 basis points on commitments of ¥300m. Twelve banks participated.

N. Zealand groups set for merger: approval

By Dai Hayward in Wellington

GOODMAN FIELDER and Wattie Industries, the New Zealand food groups, are confident that their plans to merge will receive early approval from the New Zealand Commerce Commission.

This follows a ruling by New Zealand's Court of Appeal that the Commission can consider amended merger proposals, under which both Goodman and Wattie undertake to divest themselves of certain assets.

The Commission originally ruled out the merger on the grounds that the combined company would have a dominant role in certain areas of food processing and manufacture.

The companies took their case to the Appeal Court and said they would sell off flour-milling and yeast-making subsidiaries.

The original 15 objectors to the merger then withdrew their opposition.

Both companies feared that having the application sent back to the Commission could cause a lengthy delay. They also had doubts about whether the Commission could rule on the amended merger proposals without having to consider a full application.

The Appeal Court ruling clears the way for the Commission to rule on the amended merger. The court also took note of an assurance from the Commission that it would give priority to the Goodman Wattie application.

On Friday, Mr Pat Goodman, Goodman Fielder chairman, and the managing directors of both companies - Mr Cliff Lyon of Wattie and Mr D.M. McDonald of Goodman - said in a statement that they were pleased with the court's decision.

They were confident that when the Commission examined their undertaking about divestment it would be satisfied

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New Issue

August 1987



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| Banque Bruxelles Lambert (Suisse) S.A. | Banque Nationale de Paris (Suisse) S.A. |
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| Amro Bank und Finanz | Bank of Tokyo (Schweiz) AG |
| Bank S.G. Warburg Sotitc AG | Banque de Commerce et de Placements S.A. |
| Banque Kleinwort Benson SA | Banque Scandinave en Suisse |
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| Dresdner Bank (Schweiz) AG | Nordfinanz-Bank Zürich |
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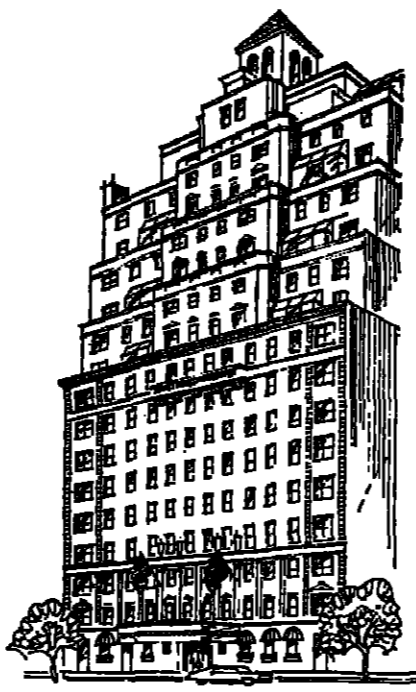
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NEW INTERNATIONAL BOND ISSUES

Borrowers	Amount m.	Maturity	Av. life years	Coupon %	Price	Bank Runner	Offer yield %
US DOLLARS							
Sumitomo Construction 11	50	1992	5	3	100	Daiwa Europe	3.000
Fukushima Electric 11	150	1992	5	3 1/4	100	Nomura Int.	3.250
Tokai Chemical Ind. 11	50	1994	7	4 1/2	100	Nomura Int.	4.500
Tokai Marine & Fire Ins. 11	200	1992	5	(3 1/4)	100	Nomura Int.	-
Nordic Inv. Bank 11	180	1991	3 1/2	8 1/4	100 1/8	Mitsubishi Fin. Int.	8.325
Yasuda Trust & Banking 11	180	2002	15	(1 1/4)	100	Yasuda Trust Europe	-
DFC Finance O'asis** (4) 11	122	1992	5	8 1/2	100	Yamaichi Int. (Eur)	-
Asahi Glass 11	200	1992	5	(3)	100	Naka Secs (Europe)	-
Asahi Glass (a) 11	50	1992	5	(3)	100	Daiwa Europe	-
CANADIAN DOLLARS							
Deutsche Bank 11	75	1991	4	10 1/4	101 1/2	Chicorp Inv. Bank	9.841
Bayernische Finance 11	65	1992	5	10 1/4	101 1/4	Bayernische Finance	9.947
IMAC Canada 11	100	1992	5 1/2	10 1/4	101 1/4	USIS (Secs)	9.971
BNF-Bank Finance 11	60	1992	5	10 1/4	101 1/4	Morgan Guaranty	9.914
AUSTRALIAN DOLLARS							
Bank of New South Wales 11	50	1990	3	12 1/2	101 1/2	Handelsbank	12.237
BNP Australia 11	50	1990	3	14	101 1/2	CSFB	12.235
WestLB Finance 11	50	1990	3	12 1/4	101 1/4	WestLB	12.590
Bank of Australia 11	50	1991	3	14	101 1/4	BZW	12.391
NEW ZEALAND DOLLARS							
Commercial Bank Australia 11	50	1990	3	17 1/4	101 1/2	Handelsbank	15.575
BP Capital 11	50	1990	3	17	101 1/4	Handelsbank	15.584
D-Marks							
Deutsche Bank Finance 11	750	1993	7	5	125	Deutsche Bank	1.248
SWISS FRANC							
Bank of 11	150	1992	-	4 1/2	100 1/4	Chicorp Investment Bank	4.104
Paribas 11	50	1992	-	1 1/4	100	Chicorp Inv. Bank	1.250
Yamaichi Int'l 11	50	1992	-	1 1/4	100	SSC	1.125
100 1990/94	100	1990/94	-	4-4 1/2	100	Worthington	4.957
125 2000	125	2000	-	5	100 1/4	Morgan Guaranty (Swiss)	4.957
100 1990	100	1990	-	5	99 1/2	Credit Suisse	5.857
200 1997	200	1997	-	4 1/4	122	Deutsche Bank (Swiss)	1.823
200 1995	200	1995	-	4 1/4	100	Credit Suisse	4.750
200 1992	200	1992	-	4 1/4	100	Credit Suisse	4.825
12 1992	12	1992	-	4 1/4	100	Bank of Europe	4.750
30 1992	30	1992	-	(5)	100	S. della Svizzera Italiana	-
100 1992	100	1992	-	(1 1/2)	100	USIS	-
150 2003	150	2003	-	5	99 1/2	Credit Suisse	5.846
STERLING							
Grand Metropolitan 11	100	2002	15	6 1/4	100	SSC	6.250
Am. Newspapers (a) 11	50	2002	15	6	100	CSFB	6.580
DANISH KRONER							
Swedish W. Bank (b) 11	350	1992	5	10 1/2	101 1/2	Swedish W. Bank	10.885
Skandinavisk (Norway) 11	250	1992	5	10 1/2	101 1/2	Norwegian Guaranty	10.250
Den. central Creditbank 11	300	1994	8 1/2	10 1/2	99 1/2	PrincoBank	10.489
YEN							
100m 11	100m	1992	5	10 1/2	97 1/4	Bank of Napoli	11.249
LUXEMBOURG FRANCS							
BBF Finance 11	300	1993	6	7 1/4	100 1/4	Bay Paribas (Lux)	7.322
BEIGIAN FRANCS							
World Bank 11	5m	1994	7	7 1/4	100	Generale de Banque	7.750

* Not yet priced. † Final terms. ‡ With equity warrants. § Convertible. ¶ Floating rate note. (a) With gold warrants. ** Private placement. †† Currency-linked. (a) Five tranches of Swiss 200m each with maturities of 3 to 7 years and coupons of 4 to 4 1/2%. (b) Additional DR250m on tap for 2 years. (c) Exchangeable into Deutsche "B" shares or each at issuer's option. (d) Redemption - 65% in US\$ and 35% in DEM. (e) Lunched in Asia. (f) With adjustable equity warrants. Note: Yields are calculated on AIBD basis.

Hilton International Holland

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FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER
LONDON - FRANKFURT - NEW YORK

All these securities having been sold, this announcement appears as a matter of record only.

NEW ISSUE

June, 1987



THE FUKUOKA SOGO BANK, LTD.

U.S.\$50,000,000

1 1/2 per cent. Convertible Bonds due 2002

Issue Price 100 per cent.

The Nikko Securities Co., (Europe) Ltd.

Nomura International Limited
Credit Suisse First Boston Limited
Mitsui Finance International Limited
Bank of Tokyo International Limited
Banque Paribas Capital Markets Limited
Chase Investment Bank
Citicorp Investment Bank Limited
Deutsche Bank Capital Markets Limited
IBJ International Limited
Manufacturers Hanover Limited
Merrill Lynch Capital Markets
Morgan Guaranty Pacific Limited
Nippon Credit International Limited
Salomon Brothers International Limited
Sumitomo Finance International
Yamaichi International (Europe) Limited
Banque Bruxelles Lambert S.A.
Barclays de Zoete Wedd Limited
Chemical Bank International Group
Daiwa Europe Limited
Fuji International Finance Limited
LTCB International Limited
Marusan Europe Limited
Mitsubishi Finance International Limited
New Japan Securities Europe Limited
Nippon Kangyo Kakumaru (Europe) Limited
Sanyo International Limited
Swiss Bank Corporation International Limited

All these securities having been sold, this announcement appears as a matter of record only.

NEW ISSUE

June, 1987



The Hyogo Sogo Bank, Ltd.

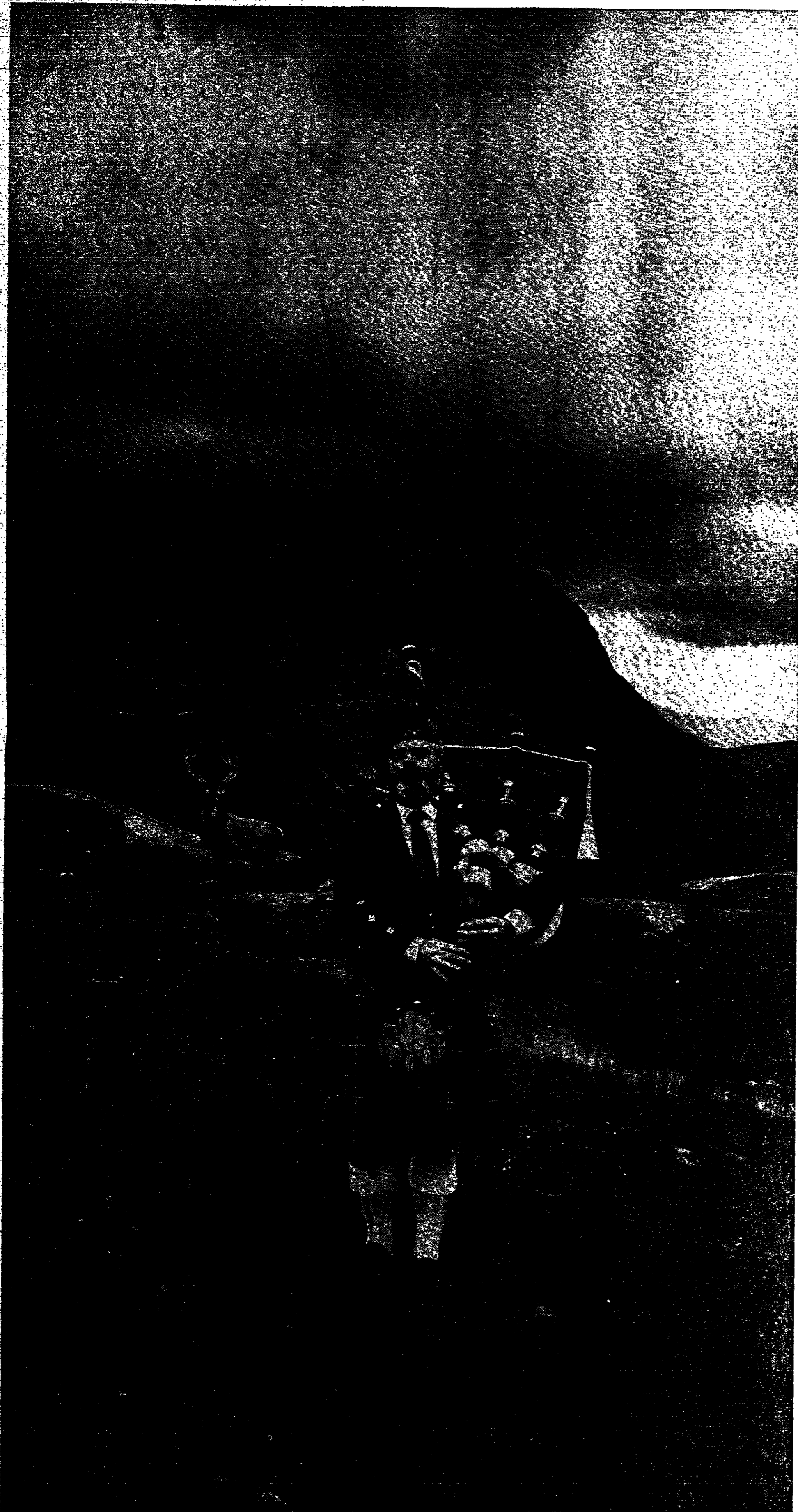
U.S.\$100,000,000

1 1/2 per cent. Convertible Bonds due 2002

Issue Price 100 per cent.

The Nikko Securities Co., (Europe) Ltd.

Nomura International Limited
Goldman Sachs International Corp.
Daiwa Europe Limited
Salomon Brothers International Limited
IBJ International Limited
LTCB International Limited
Sumitomo Finance International
Algemene Bank Nederland N.V.
Banque Paribas Capital Markets Limited
Chase Investment Bank
Cosmo Securities (Europe) Limited
Credit Suisse First Boston Limited
Deutsche Bank Capital Markets Limited
Drexel Burnham Lambert International Limited
Hill Samuel & Co. Limited
Lloyds Merchant Bank Limited
Merrill Lynch Capital Markets
Mitsubishi Trust International Limited
Samuel Montagu & Co. Limited
Morgan Guaranty Pacific Limited
New Japan Securities Europe Limited
Sanyo International Limited
Shearson Lehman Brothers International
Swiss Bank Corporation International Limited
Union Bank of Switzerland (Securities) Limited
Yasuda Trust Europe Limited
Bank of Tokyo International Limited
Barclays de Zoete Wedd Limited
Citicorp Investment Bank Limited
County NatWest Limited
Dai-ichi Europe Limited
Dresdner Bank Aktiengesellschaft
EBC Amro Bank Limited
KOKUSAI Europe Limited
Manufacturers Hanover Limited
Mitsubishi Finance International Limited
Mitsui Trust International Limited
Morgan Grenfell & Co. Limited
Morgan Stanley International
Nippon Credit International Limited
J. Henry Schroder Wagg & Co. Limited
Sumitomo Trust International Limited
Tokyo Securities Co. (Europe) Limited
Yamaichi International (Europe) Limited



**We've got the
biggest pipes in
Scotland.
But ours don't
disturb anyone.**

From Cruden Bay in Aberdeenshire to the Firth of Forth our pipes deliver crude oil to the tune of 300,000 barrels a day, disturbing neither man nor beast.

Even during construction, BP moved heaven and earth not to disrupt the rhythm of the local countryside.

In 70 countries around the world, our engineers, architects and builders display a similar lightness of touch.

So while BP has grown to become one of the world's leading natural resources groups, we always take great care of the environment.

And for anyone with an interest in ecology, this should be music to your ears.

BP Britain at its best.

19

[illegible]

هكذا من الأصل

LONDON SHARE SERVICE

[illegible]

هكذا من الأصل

هكذا من الأصل

BUILDING, TIMBER, ROADS—Cont

[illegible]

Personal 10p	136	15.6	1.5
Plasma Timber	528	23.3	14.0
Pochins	183	23.2	11.65

[illegible]

CHEMICALS, PLASTICS

[illegible]

DRAPERY AND STORES

DRAPERY AND STORE			
December	March Inventory 1920	225	25.1
Jan	April Inventory 1920	438	29.6
Feb	May Inventory 1920	438	29.6
Mar	June Inventory 1920	438	29.6
Apr	July Inventory 1920	438	29.6
May	August Inventory 1920	438	29.6
June	September Inventory 1920	438	29.6
July	October Inventory 1920	438	29.6
Aug	November Inventory 1920	438	29.6
Sept	December Inventory 1920	438	29.6
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Aug	November Inventory 1941	438	29.6
Sept	December Inventory 1941	438	29.6
Oct	January Inventory 1942	438	29.6
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Oct	January Inventory 1943	438	29.6
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May	August Inventory 1945	438	29.6
June	September Inventory 1945	438	29.6
July	October Inventory 1945	438	29.6
Aug	November Inventory 1945	438	29.6
Sept	December Inventory 1945	438	29.6
Oct	January Inventory 1946	438	29.6
Nov	February Inventory 1946	438	29.6
Dec	March Inventory 1946	438	29.6
Jan	April Inventory 1946	438	29.6
Feb	May Inventory 1946	438	29.6
Mar	June Inventory 1946	438	29.6
Apr	July Inventory 1946	438	29.

Feb. Goldberg (A.)	188	1.6
Goodman Bros. Sp.	74	1.18
Deer Creek (Universal)	622	9.2

[illegible]

ENGINEERING—Continued

Trade	Stock	Price	15th	16th	17th	18th
Aug.	Baker Perkins 50s	372	312		377.5	1.9
Aug.	Barns Inds. 20p	225	225		234	2.0
Nov.	Beaumont 10p	146	27.4		27.4	2.0
Nov.	EBapel 50s	221	221		221	2.3
Sept.	Blaird Quaker	236	227		247.5	2.8
Sept.	Birmingham Mfg	70	227		227	4.1
Sept.	Blackwood Hedge	62	27		27	3.0
Sept.	South Industries	62	77.5		77.5	0
Sept.	Brattlewhite 51	134	134		134	10.8
	Chesapeake 10p	194	194		194	10.8

ELECTRICALS

[illegible]**FOOD, GROCERIES, ETC**

INDUSTRIALS—Continued

[illegible]

INDUSTRIALS—Continued

[illegible]

HOTELS AND CATERERS

May	Indefinite Sit for 3 rd	70	77.4
	Friendly House 10p	282	11.5
May	Ben Garfield's Rest. 10p	268	6.4
Apr.	Oct. Gen. Metro. 50p	542	23.2
	Midway Lohmeyer	64	26.6
	Roll Enterprises 20p	455	27.4
	Johnny's Broken 10p	455	11.5
Jan	Oct. ad. 10p	455	11.5
May	Oct. 10p	150	11.5
May	Oct. 10p	455	27.4
May	Oct. 10p	230	27.4
May	Oct. 10p	118	27.4
May	Oct. 10p	202	1.6
Jan	Oct. 10p	59	6.4
Apr	Oct. 10p	632	27.4
Apr	Oct. 10p	131	27.2
Apr	Oct. 10p	249	9.7

INDUSTRIALS (Miscel.)

	MAF Inc. 7 1/2	382 1/2
Mar. Oct. JAAH	433	23.2
Nov. JAGS AB K25	428 1/2	27.5
May Oct. JAGS Research 10p	249	23.2
Apr. A1H 10p	238	23.2
Nov. MASD 1	278	5.4
Oct. Aaronson Bros. 10p	162	23.2
Mar. Dec. Atchafalaya 10p	246	5.4

INSURANCES

19.6	April	Dept.	Washington Tech. Sp.	54	11.2
20.1	May	May	Washington Group MHS	54	11.2
20.4					
20.6	Feb.	Ind.	Indiana Assoc. Ent. 20.10	50	27.4
20.7	Feb.	Ind.	Chicopee Group	50	27.4
20.8	Feb.	Ind.	Chicopee Group	50	27.4
20.9	Feb.	Ind.	Chicopee Group	50	27.4
21.0	Feb.	Ind.	Chicopee Group	50	27.4
21.1	Feb.	Ind.	Chicopee Group	50	27.4
21.2	Feb.	Ind.	Chicopee Group	50	27.4
21.3	Feb.	Ind.	Chicopee Group	50	27.4
21.4	Feb.	Ind.	Chicopee Group	50	27.4
21.5	Feb.	Ind.	Chicopee Group	50	27.4
21.6	Feb.	Ind.	Chicopee Group	50	27.4
21.7	Feb.	Ind.	Chicopee Group	50	27.4
21.8	Feb.	Ind.	Chicopee Group	50	27.4
21.9	Feb.	Ind.	Chicopee Group	50	27.4
22.0	Feb.	Ind.	Chicopee Group	50	27.4
22.1	Feb.	Ind.	Chicopee Group	50	27.4
22.2	Feb.	Ind.	Chicopee Group	50	27.4
22.3	Feb.	Ind.	Chicopee Group	50	27.4
22.4	Feb.	Ind.	Chicopee Group	50	27.4
22.5	Feb.	Ind.	Chicopee Group	50	27.4
22.6	Feb.	Ind.	Chicopee Group	50	27.4
22.7	Feb.	Ind.	Chicopee Group	50	27.4
22.8	Feb.	Ind.	Chicopee Group	50	27.4
22.9	Feb.	Ind.	Chicopee Group	50	27.4
23.0	Feb.	Ind.	Chicopee Group	50	27.4
23.1	Feb.	Ind.	Chicopee Group	50	27.4
23.2	Feb.	Ind.	Chicopee Group	50	27.4
23.3	Feb.	Ind.	Chicopee Group	50	27.4
23.4	Feb.	Ind.	Chicopee Group	50	27.4
23.5	Feb.	Ind.	Chicopee Group	50	27.4
23.6	Feb.	Ind.	Chicopee Group	50	27.4
23.7	Feb.	Ind.	Chicopee Group	50	27.4
23.8	Feb.	Ind.	Chicopee Group	50	27.4
23.9	Feb.	Ind.	Chicopee Group	50	27.4
24.0	Feb.	Ind.	Chicopee Group	50	27.4
24.1	Feb.	Ind.	Chicopee Group	50	27.4
24.2	Feb.	Ind.	Chicopee Group	50	27.4
24.3	Feb.	Ind.	Chicopee Group	50	27.4
24.4	Feb.	Ind.	Chicopee Group	50	27.4
24.5	Feb.	Ind.	Chicopee Group	50	27.4
24.6	Feb.	Ind.	Chicopee Group	50	27.4
24.7	Feb.	Ind.	Chicopee Group	50	27.4
24.8	Feb.	Ind.	Chicopee Group	50	27.4
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41.0	Feb.	Ind.	Chicopee Group	50	27.4
41.1	Feb.	Ind.	Chicopee Group	50	27.4
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41.9	Feb.	Ind.	Chicopee Group	50	27.4
42.0	Feb.	Ind.	Chicopee Group	50	27.4
42.1	Feb.	Ind.	Chicopee Group	50	27.4
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42.9	Feb.	Ind.	Chicopee Group	50	27.4
43.0	Feb.	Ind.	Chicopee Group	50	27.4
43.1	Feb.	Ind.	Chicopee Group	50	27.4
43.2	Feb.	Ind.	Chicopee Group	50	27.4
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43.9	Feb.	Ind.	Chicopee Group	50	27.4
44.0	Feb.	Ind.	Chicopee Group	50	27.4
44.1	Feb.	Ind.	Chicopee Group	50	27.4
44.2	Feb.	Ind.	Chicopee Group	50	27.4
44.3	Feb.	Ind.	Chicopee Group	50	27.4
44.4	Feb.	Ind.	Chicopee Group	50	27.4
44.5	Feb.	Ind.	Chicopee Group	50	27.4

[illegible]

MINES—Continued

REFERENCES

[illegible][illegible][illegible][illegible][illegible]

- * **Bonus** for cash.
- * **Dividend** shown increased or returned.
- * **Interest** shown accrued, advanced or deferred.
- * **Tax-free** to non-residents on application.
- * **Years** of operation.
- * **Not officially UK listed:** discounts permitted under Rule 53(5A) USA; not listed on Stock Exchange and company not subject to disclosure requirements of listed securities.
- * **Death** in Under Review 53(5)(3).
- * **Price** in state of suspension.
- * **Difficulties** in obtaining foreign assets rights issue as relates to previous dividend or forward.
- * **Mergers** held or reorganisation in progress.
- * **Not Consistent**.
- * **Main reason:** reduced final and/or reduced earnings indicated by difficulties covering on shares updated by latest interim statement.
- * **Cover allows** for conversion of shares not new ranking for dividend.
- * **Cover does not allow** for shares which may stop rank for dividend at future date. No P/E ratio actually provided.
- * **No par value** stock.

B.F.F. Belgian Francs; **F.F.** French Francs; **% Yld** based on average yield over last 12 months; **\$m** small market capitalisation; **A** American Depositary Receipt; **D** Figures based on annual figures.

[illegible]

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter by country.

Albury Int 20p	91	11.37 7702	238 1/2
Crang & Rose Ltd	3500	Arps	375
Forster Pans Ltd	115	CPI Industries	65
Hall Hous 25p	1003	Corral Int	179
Irish Steel Ltd	156	Dalton Gas	15
		Hall Int. (S. H.)	130
		Heinen Pkgs.	50
		Irish Fruit	138
		Irish Ware	400

IRISH		UK	
Finlay 11 1/2 1983	1280 1/2	1983	+ 1/2
Net, 9 1/4 % 1983	1280 1/2	1983	+ 1/2

TRADITIONAL OPTIONS

3-month call rates

Industrials

5 1/2 1/2

[illegible]

GKH	30	BIS	
Harmon Tel	15	Brit Petroleum	32
Lawder Sudd	60	Enfield	10
ICI	125	Burmah Oil	10
Jaguar	52	Chatterhall	6
Lafarge	50	Premier	17
Legal & Gen	32	Shirel	11
Let Service	45	Tricentral	11
Lloyds Bank	10	Ultramar	11
Lucas Inds	62		
Marks & Spencer	22	Miles	
Mellor's Bk	22	Cans Gold	90
Morgan Grenfell	35	London	24
		Rio Tinto	24

A selection of Options traded is given on the London Stock Exchange Report Page.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter based on the London Stock Exchange closing prices quoted in Irish currency.

	90	91	92	93	94	95	96	97	98	99	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93
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NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued on Page 27

Continued on Page 25

by COLIN MILLHAM

reversing up its estimate of 0.7 per cent after the manufacturing output figure.

July retail sales today are forecast by economists at Morgan Grenfell to be unchanged, but to rise 1.1 per cent according to Morgan Grenfell, which is still well down from the sharp climb of 3.1 per cent in June.

FUTURES

Series	Calls - Last	Puts - Last
29X06	4.78	0.06
29X07	4.74	0.06
29X08	3.26	0.73
29X09	2.18	0.57
29X10	1.27	0.44
29X11	0.96	0.26
29X12	0.36	0.22
29Y06	0.08	2.49
29Y07	0.08	2.29
29Y08	0.08	2.07
29Y09	0.08	1.84
29Y10	0.08	1.61
29Y11	0.08	1.37
29Y12	0.08	1.13

Source: Futures volume total, Calls 550 Puts 470
Previous day's open bid; Call 29X 29X 29X

252 Pats—Last

—	12.90	—	1.50	—	2.70
9.80	9.80	0.20	0.25	0.65	1.10
5.20	5.80	0.35	1.00	1.40	2.35
2.40	2.00	2.30	3.45	3.45	4.70
0.90	1.65	7.50	7.85	7.00	9.20
0.35	0.65	12.55	11.00	11.40	12.10
—	1.20	14.80	15.30	—	16.50

1,067 Pts 162

CTIONS

	Prty-Last					
	June	Sept.	Dec.	Mar.	June	
2.91	0.87	2.00	2.06	2.24	0.49	
0.73	0.72	0.00	0.10	0.31	0.59	
0.58	0.58	0.00	0.14	0.41	0.70	
0.43	0.47	0.00	0.22	0.51	0.84	
0.32	0.36	0.01	0.31	0.65	0.96	
0.22	0.27	0.04	0.45	0.80	1.14	
0.15	0.20	0.13	0.61	0.98	1.52	
2.172	Pns 2,902					
Pts 41						

100

	12.5m \$ per Yds				
	Close	High	Low	Prev.	
PL	0.6487	0.6710	0.5755	0.6408	
AL	0.6535	0.6760	0.5623	0.6566	
ML	0.6707	0.6790	—	0.6718	
W	0.6545	—	—	0.6776	

	12.5m \$ per Yds				
	Close	High	Low	Prev.	
PL	0.5311	0.5392	0.5292	0.5311	
AL	0.5374	0.5440	0.5334	0.5348	
ML	0.5412	0.5465	0.5400	0.5386	
W	0.5454	0.5500	—	0.5428	

	Close	High	Low	Prev.
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92.59	92.64	92.44	92.56
92.24	92.31	92.10	92.23
91.94	92.01	91.81	91.95
91.67	91.73	91.53	91.67
91.43	91.47	91.32	91.44
91.20	91.24	91.12	91.22
90.99	91.04	90.92	91.02

STANDARD & POORE 500 INDEX
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Close	High	Low	Prev.
336.05	337.70	333.25	336.95
338.85	340.40	335.80	338.70
341.65	343.20	339.00	341.45



(Incorporated in The

A. \$ 50,000

believe, there is no reason to expect any further rise in UK interest rates this year, the prospects of a fall seem equally remote.

Apart from the wish of the authorities to dampen credit expansion, the trend in international rates is *not* favourable. The West German Bundesbank continues along a very tight monetary path, and recent events suggest firmer interest rates in Tokyo and New York.

100

Treasury Bills and Bonds		
5.38	Three year	7.85
5.66	Four year	8.04
6.14	Five year	8.16

6.32	Seven year	8.40
6.17	10 year	8.57

Two Months	Three Months	Six Months	Lombard Intervention
85-4.00	390-4.05	413-4.30	5.0
7½-7½	7½-8	8½-8½	7½
—	3½-3½	—	—
—	5½-5½	—	—
—	3.71875	—	—
—	12-12½	—	—

—	64-64	—	—
98-98	98-98	100-100	—

Month	Three Months	Six Months	One Year
92-93	104-10	103-10.5	102-10 $\frac{1}{2}$
93-94	103-12 $\frac{1}{2}$	102-10 $\frac{1}{2}$	102-10 $\frac{1}{2}$
94-95	10	104	102 $\frac{1}{2}$
95-96	10A	102 $\frac{1}{2}$	104
96-97	10 $\frac{1}{2}$	10A	10 $\frac{1}{2}$
97-98	10	10A	10A
98-99	9 $\frac{1}{2}$	—	—
99-00	9 $\frac{1}{2}$	—	—

10%	10%	10%	—
6.75-6.79	6.85-6.89	7.10-7.09	7.65-7.69

61-62	63-64	65-66	67-68
61-62	71-72	73-74	75-76

three-months 9% per cent; Bank Bills (sell): one-monthly Bills; Average tender rate of discount rate. Make up day July 31, 1987. Agreed rates for 1: 10.59 p.c., Schemes II & III: 10.49 p.c.

Scheme IV: 9.238 p.c. Local Authority and fixed Finance House's Base Rate 9½ per cent & seven days' notice 3-3½ per cent. Certificates over held under one month 8 per cent; one-three & nine months 9½ per cent; nine-12 months 9½ p.c. Deposits withdrawn for each 3 per cent.

Issue Price 1013

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